

REPORT ON EXAMINATION

OF THE

NATIONS TITLE INSURANCE OF NEW YORK INC.

AS OF

DECEMBER 31, 2003

DATE OF REPORT

DECEMBER 28, 2004

EXAMINER

MAX VEGA

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STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

December 28, 2004

Honorable Gregory V. Serio
Superintendent of Insurance
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 22115 dated January 6, 2004, attached hereto, I have made an examination into the condition and affairs of the Nations Title Insurance of New York Inc. as of December 31, 2003 and respectfully submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate the Nations Title Insurance of New York Inc.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

The examination was conducted at the administrative offices of Nations Title Insurance of New York Inc., located at 4050 Calle Real, Santa Barbara, California and 601 Riverside Ave. Jacksonville, Florida.

1. SCOPE OF EXAMINATION

The previous examination was conducted as of December 31, 1998. This examination covers five-year period from January 1, 1999 through December 31, 2003. Transactions subsequent to that date were reviewed where deemed appropriate by the examiner.

This examination comprised a complete verification of assets and liabilities as of December 31, 2003, a review of income and disbursements deemed necessary to accomplish such verification, and utilized, to the extent considered appropriate, work performed by the Company's independent certified public accountants. A review or audit was also made of the following items as called for in the Examiners Handbook of the National Association of Insurance Commissioners ("NAIC"):

- History of Company
- Management and control
- Corporate records
- Fidelity bond and other insurance
- Territory and plan of operation
- Growth of Company
- Business in force by states
- Loss experience
- Reinsurance
- Accounts and records
- Financial statements

A review was also made to ascertain what actions were taken by the Company with regard to comments and recommendations in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was incorporated on November 15, 1927 and commenced business on March 27, 1928. Paid in capital is \$1,268,162, which is comprised of 181,166 shares of \$7 par value per share common stock.

From 1989 to 1993, the Company, then named New York TRW Title Insurance of New York Inc., was a wholly-owned subsidiary of TRW Title Inc. Pursuant to a stock purchase agreement consummated January 10, 1994, Nations Holding Group purchased all of the issued and outstanding shares of TRW Title Inc. The Company subsequently changed its name to Nations Title Insurance of New York Inc.

On April 1, 1996, Fidelity National Title Insurance Company of New York, a wholly-owned subsidiary of Fidelity National Financial, Inc. ("FNFI") purchased 100% of the issued and outstanding common shares of the Company. This acquisition was approved by the Department.

A. Management

Pursuant to the Company's charter and by-laws, as amended, management of the Company is vested in a board of directors consisting of not less than seven nor more than fifteen members. As of the examination date, the board of directors was comprised of the following seven members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Vemell A. Clark Jacksonville, FL	Director, Nations Title Insurance of New York Inc.
William P. Foley, II Santa Barbara, CA	Chairman and Chief Executive Officer, Fidelity National Financial, Inc.
Joseph N. Friedman New York, NY	Senior Vice President, Nations Title Insurance of New York Inc.

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Raymond Quirk Jacksonville, FL	President, Nations Title Insurance of New York Inc.
Jonathan A. Richards New York, NY	Senior Vice President and Senior Counsel, Nations Title Insurance of New York Inc.
Alan Stinson Jacksonville, FL	Executive Vice President and Chief financial Officer Nations Title Insurance of New York Inc.
Charles H. Wimer New York, NY	Executive Vice President, Nations Title Insurance of New York Inc.

The minutes of all meetings of the board of directors and committees thereof held during the examination period were reviewed. The meetings were generally well attended. All other board of directors' resolutions were effectuated through the unanimous written consent of directors, in place of actual board meetings.

Section 7, ("Informal action by directors") of the Company's by-laws states:

"Where time is of the essence, but not in lieu of a regularly scheduled meeting of the Board of Directors or a Committee thereof, any action which may be taken at a meeting of Directors or a Committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors or members of such Committee".

It appears that the Company is not in compliance with, its by-laws since almost all resolutions were carried out via unanimous written consent. It was also noted that the company's by-laws were in draft form.

It is recommended that the Company file its amended by-laws with the Department.

It is recommended that the Company abide by the provisions of its by-laws and utilize the unanimous written consent option only where time is of the essence and not in lieu of regularly scheduled meetings.

The principal officers of the Company as of December 31, 2003 were as follows:

<u>Name</u>	<u>Title</u>
Raymond Quirk	President
Todd Johnson	Senior Vice President and Corporate Secretary
Alan Stinson	Executive VP and Chief Financial Officer and
Ronald R. Maudsley	Executive Vice President
Frank P. Willey	Executive Vice President
Charles H. Wimer	Executive Vice President
Jonathan A. Richards	Senior Vice President and Senior Counsel
Peter Sadowski	Executive Vice President

Conflict of Interest

The examiner was unable to determine if any directors, officers, or key employees had any conflicts of interest. The Company has a comprehensive policy on ethical practices and conflict of interest, which all employees are required to sign. In addition, all directors, officers and key personnel are required to complete conflict of interest questionnaires annually. However, the Company was unable to provide any statements signed by its directors or officers.

It is recommended that the Company obtain and keep on file signed conflict of interest statements for all directors, officers and key employees.

B. Territory and Plan of Operation

At December 31, 2003, Nations Title Insurance of New York Inc. was licensed to transact the business of title insurance, as defined in paragraph 18 of Section 1113(a) of the New York Insurance Law. As of the examination date, the Company was licensed in twenty-two states and the District of Columbia.

On November 14, 1997, Nations Title Insurance of New York Inc. voluntarily surrendered its certificate of authority in the State of Florida.

The following is a comparison between direct premiums written in New York State and nationwide during the examination:

DIRECT PREMIUMS WRITTEN

<u>Year</u>	<u>New York State</u>	<u>Nationwide</u>	Premiums Written in New York State as a Percentage of <u>Nationwide Premiums</u>
1999	\$67,778	\$113,432	59.75%
2000	\$(399,902)	\$(543,218)	(73.62)%
2001	\$129,208	\$185,335	69.72%
2002	\$13,551	\$19,591	69.17%
2003	\$2,880	\$2,880	100.00%

Based upon the lines of business for which the Company is licensed, the Company's current capital structure, and pursuant to the requirements of Article 64 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$250,000.

The Company is engaged primarily in the business of issuing title insurance policies and secondarily in performing other title-related services such as escrow, collection and trust activities in connection with real estate transactions. These secondary services are provided through the Company's independent agents who issue policies on the Company's behalf. During the period under examination, the Company maintained full service underwriting and claims regional offices.

C. Reinsurance

The Company assumes a relatively minor volume of business from other insurers as compared to its direct writings (less than one percent). The majority of these assumptions are on a facultative basis and are non-obligatory.

All ceded reinsurance contracts affected during the examination period were reviewed. These contracts all contained an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

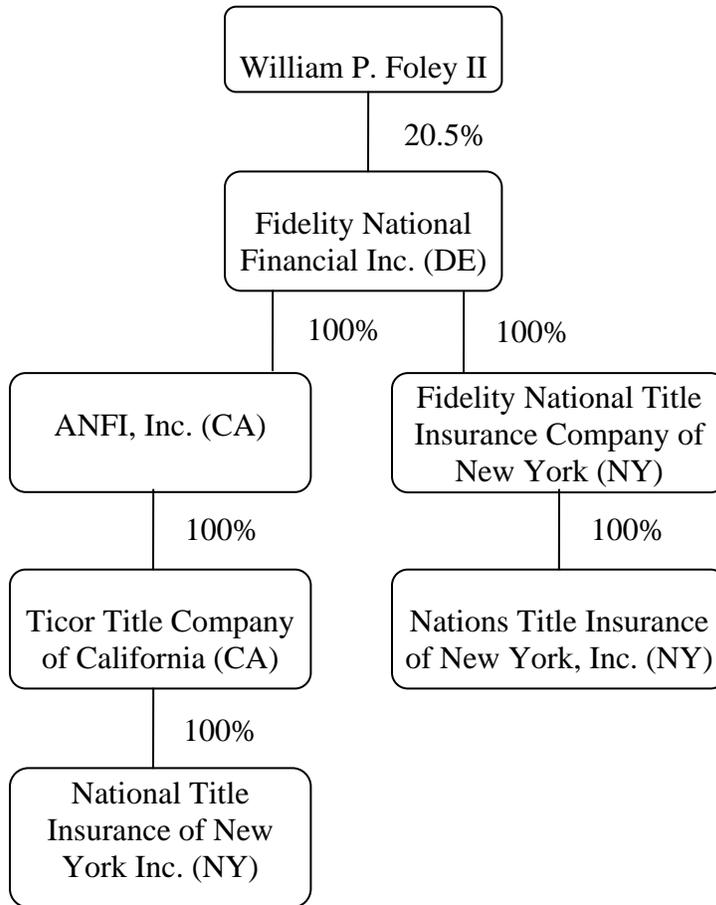
As of December 31, 2003, the Company had the following ceded excess of loss reinsurance program in place:

<u>Contract</u>	<u>Cession</u>
First Layer 100% authorized	\$1,000,000 excess of \$1,000,000 each risk, each occurrence
Second Layer 100% authorized	\$18,000,000 excess of \$2,000,000 each risk, each occurrence

D. Holding Company System

Nations Title Insurance of New York Inc. (formerly known as TRW Title Insurance of New York Inc.) became a controlled insurer of Fidelity National Title Insurance Company of New York upon acquisition on April 1, 1996. Control was acquired by a stock purchase agreement with Nations Title Inc., under which FNFI agreed to purchase 100% of the stock of Nations Title Insurance of New York Inc. FNFI is ultimately controlled by William P. Foley, II. The acquisition was approved by the Department.

The following is an abbreviated chart of the holding company system at December 31, 2003:



A review determined that the company made the required annual filings, as registrant, pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

At December 31, 2003 the Company was a party to several cost reimbursement agreements with affiliated companies. These agreements provided that various members of the holding company system would provide services on behalf of, or pay for services to other affiliated entities. The agreements were not filed with this Department.

It is recommended that the Company file its cost reimbursement agreements with the Department pursuant to the provisions of Section 1505(d)(3) of the New York Insurance Law.

The Company has not shown that it has prepared written guidelines for the allocation of non-overhead expenses which are in accordance with Department Regulation 30 as recommended in the prior report on examination.

It is recommended that the Company prepare written guidelines for the allocation of non-overhead expenses, which are in accordance with Department Regulation 30.

A December 13, 1999, the Company entered into a tax allocation agreement with its parent FNFI. This agreement was not submitted to the Department in accordance with Department Circular Letter No. 33 (1979).

It is recommended that the Company file this agreement with the Department pursuant to the provision of the Department Circular Letter No. 33 (1979).

E. Abandoned Property Laws

Section 1317 of the New York Abandoned Property Law provides that any amount held or owing by a domestic or foreign title insurer or by an agent or representative of such insurer as a security deposit, relating to the transfer of financing of real property located in the state, made as an inducement to issuing title insurance policy shall be deemed abandoned property if unclaimed as of December 31 in any year for three years from the date of deposit, unless there has been written communication from the depositor or other person entitled thereto to the issuer to its agent or representative within said three-year period. Any such property deemed abandoned as of the preceding day at December 31 shall be paid and remit to the Comptroller within the first 10 days of March in each year, together with the report said property, including a listing of depositors and lienholders, in such form as the Comptroller may prescribe.

The Company's abandoned property reports for the period of this examination were all filed on a timely basis pursuant to the provisions of Section 1317 of the New York Abandoned Property Law.

F. Segregated Funds Held for Others

As of December 31, 2003, the Company reported \$763,604 as custodial funds set aside in special accounts, and excluded from the Company's assets and liabilities. The Company maintains such funds in cash and other cash equivalents.

Escrow funds are taken by the Company at title closing for minor defects in title searches, unpaid real estate taxes, franchise taxes, judgments for liens against the insured's property and are held until such defects are cured.

In view of the fiduciary responsibility for such funds, a review was made of the underlying escrow deposit accounts to ascertain if the Company was fulfilling its contractual obligations and to test the Company's controls over these accounts.

The Company has demonstrated that escrow funds are held under constant review for settlement and disposal of objections cited in the title report. It appears that the Company is properly refunding balances after the title objections are alleviated and such refunds were released in a timely and efficient manner.

G. Accounts and Records

Approval of investments

The examiner noted that although the Company answered General Interrogatory Number 12 “Is the purchase and sale of all investments of the reporting entity passed upon by the board of directors or a subordinate committee thereof?” in the affirmative, the Company did not have a formal process for board approval of investments.

Section 1411(a) of the New York Insurance Law states, in part:

“No domestic insurer shall make any loan or investment, unless authorized for approved by its Board of Directors or a committee thereof responsible for supervising or making such investment or loan...”

It is recommended that the board of directors document its review and approval of the Company's investment activities in compliance with section 1411(a) of the New York Insurance Law.

Cash

The Company's reconciliation reflected \$175,757 of outstanding checks dating back to 1992. It is recommended that the Company segregate its outstanding checks to a separate control account on a regular and systematic basis.

Custody Agreement

Management answered affirmatively to General Interrogatory No. 23, which states:

“Excluding items in the schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H. - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?”

A review of the Company's custody agreement indicated that it does not contain the following clauses set forth in the NAIC Financial Condition Examiners Handbook:

- That in the event of a loss of the securities for which the custodian is obligated to indemnify the insurance company, the securities shall be promptly replaced or the value of the securities and the value of any loss of rights or privileges resulting from said loss of securities shall be promptly replaced;
- That if the custodial agreement has been terminated or if 100 percent of the account assets in any one custody account have been withdrawn, the custodian shall provide written notification, within three business days of termination or withdrawal, to the insurer's domiciliary commissioner;

It is recommended that the custody agreement be amended to include all required clauses set forth in the NAIC Financial Condition Examiners Handbook.

H. Significant Operating Ratios

The operating ratios presented below are on an earned/incurred basis and encompass the five-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	\$9,434,505	128.60%
Other operating expenses incurred	7,535,052	102.71
Net underwriting gain (loss)	<u>(7,235,793)</u>	<u>(98.63)</u>
Premiums earned	<u>\$9,733,348</u>	<u>100.00%</u>

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2003 as determined by this examination. This statement is the same as the balance sheet in the Company's filed annual statement:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$16,083,316	\$ 0	\$16,083,316
Common stocks (stocks)	106,465	0	106,465
Mortgage loans on real estate	105,760	19,565	86,195
Mortgage loans -other than first liens	24,350	24,350	0
Properties held for sale	38,000	0	38,000
Cash, cash equivalents and short-term investments	2,635,317	0	2,635,317
Receivable for securities	2,499	0	2,499
Investment income due and accrued	249,281	0	249,281
Net deferred tax asset	177,183	0	177,183
Receivables from parent, subsidiaries and affiliates	730,238	139,316	590,922
Other assets non-admitted	5,721	5,721	0
Title plants	1,140,132	89,123	1,051,009
Prepaid expenses and other assets	<u>243,560</u>	<u>243,560</u>	<u>0</u>
Total assets	<u>\$21,541,822</u>	<u>\$521,635</u>	<u>\$21,020,187</u>

Liabilities, Surplus and Other Funds

Known claims reserve	\$ 1,776,668
Statutory premium reserve	8,009,713
Other expenses (excluding taxes, licenses and fees)	642,702
Taxes, licenses and fees (excluding federal and foreign income taxes)	96,718
Current federal and foreign income taxes	735,342
Payable to parent, subsidiaries and affiliates	<u>148,019</u>
Total liabilities	\$11,409,162

Surplus and Other Funds

Common capital stock	\$ 1,268,162
Gross paid in and contributed surplus	14,650,005
Unassigned funds (surplus)	<u>(6,307,142)</u>
Surplus as regards policyholders	<u>9,611,025</u>
Total liabilities, surplus and other funds	<u>\$21,020,187</u>

Note: The Internal Revenue Service has completed its audits of the Company's consolidated federal income tax returns for the tax year 1999. The Internal Revenue Service has not yet begun to audit tax returns for the periods 2000 through 2003. The examiner is unaware of any potential exposure of the Company to any tax assessment and the liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

The Company's surplus has increased by \$5,665,783 for the period covered by this examination as follows:

Underwriting Income

Premiums and fees earned		\$9,733,764
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Deductions:

Losses and loss adjustment expenses incurred	\$9,434,505	
Operating expenses incurred	<u>7,535,052</u>	

Total underwriting deductions		<u>16,969,557</u>
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Net underwriting gain or (loss)		\$(7,235,793)
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Investment Income

Net investment income earned	\$3,485,373	
Net realized capital gains (losses)	<u>182,966</u>	

Net investment gain or (loss)		<u>3,668,339</u>
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Net income before federal income taxes		\$(3,567,454)
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Federal and foreign income taxes incurred		<u>(3,131,371)</u>
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Net loss		<u>\$(436,083)</u>
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Capital and Surplus Account

Surplus as regards policyholders per report on examination as of December 31, 1998			\$3,945,242
	<u>Gains in</u> <u>Surplus</u>	<u>Losses in</u> <u>Surplus</u>	
Net income		\$436,083	
Net unrealized capital gains or (losses)	\$ 76,125		
Change in net unrealized foreign exchange capital gain (loss)		543,865	
Change in net deferred income tax		7,926	
Change in non-admitted assets	2,821,755		
Cumulative effect of changes in accounting principles	202,468		
Prior period tax adjustment (2002, 2001)	<u>3,553,309</u>	<u> </u>	
Total gains and losses	<u>\$6,653,657</u>	<u>\$987,874</u>	
Net increase (decrease) in surplus			<u>5,665,783</u>
Surplus as regards policyholders per report on examination as of December 31, 2003			<u>\$9,611,025</u>

4. KNOWN CLAIM RESERVES

The examination liability for the captioned items of \$1,776,668 is the same as reported by the Company as of December 31, 2003. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and in its filed annual statements.

5. MARKET CONDUCT ACTIVITIES

In the course of this examination, a review was made of the manner in which the Company conducts its business practices and fulfills its contractual obligations to policyholders and claimants. The review was general in nature and is not to be construed to encompass the more precise scope of market conduct investigation, which is the responsibility of the Market Conduct Unit of the Property Bureau of this Department.

The general review was directed practices of the Company and the following areas:

- A. Sales and advertising
- B. Underwriting
- C. Rating
- D. Treatment of policyholders and claimants

The examiner reviewed the Company's advertising material, applications and policy forms, agents' reports, and correspondence files. In addition, the examiner performed an analysis of the approved rates charged on the title policies and reviewed the Company's claim register. No problem areas were encountered.

6. COMPLIANCE WITH PRIOR REPORT EXAMINATION

A review was made into the actions taken by the Company with regards to the comments and recommendations contained in the prior report on examination. The item letters and page numbers shown below refer to that of the prior report.

<u>ITEM</u>	<u>PAGE NO.</u>
A	
<u>Management</u>	
(i)	5
It was recommended that the Company abide by the provisions of its by-laws and utilize the unanimous written consent option as specified therein.	
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	
(ii)	5
It was recommended that the Company adhere to the provisions of Section 1411(a) of the New York Insurance Law with regard to the board of directors' approval of investment transactions.	
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	
B	
<u>Reinsurance</u>	
(i)	9
It was recommended that the Company maintain documentation of its evaluation of transfer of risk for all ceded reinsurance contracts to support management's accounting positions relative to these contracts in accordance with Chapter 22 of the NAIC Accounting Practices and Procedures Manual.	
The Company has complied with this recommendation.	
C	
<u>Holding Company</u>	
(i)	10
It was recommended that the Company maintain documentation to ensure that inter-company account balances are settled in a timely manner.	
The Company has complied with this recommendation.	

<u>ITEM</u>	<u>PAGE NO.</u>
(ii) It was recommended that the Company modify its general ledger system to track and accumulate affiliate transactions by each affiliated company on a rolling twelve-month basis. This will enable the Company to determine if they exceed the reporting and prior approval thresholds as set forth in Section 1505(d) of the New York Insurance Law.	10
The Company has complied with this recommendation.	
(iii) It was recommended that the Company file its cost reimbursement agreements with the Department pursuant to the provisions of Section 1505(d) of the New York Insurance Law.	11
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	
(iv) It was recommended that the Company prepare written guidelines for the allocation of non-overhead expenses, which are in accordance with Regulation 30.	12
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	
(v) It was recommended that the Company amend its tax allocation agreement to comply with the guidelines set forth in Department Circular Letter 33 (1979) and submit it to the Department pursuant to Section 1505(d) of the New York Insurance Law.	12
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	
D <u>Audit Engagement Letter</u>	13
It was recommended that the Company comply with the provisions of Section 89.2 of the Department's Regulation 118.	
The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	

<u>ITEM</u>		<u>PAGE NO.</u>
E	<u>Conflict of Interest</u>	
(i)	It was recommended that the Company establish written procedures that detail the specific actions to be taken by the board of directors if conflicts of interest arise. The Company has not complied with this recommendation. The Company has a written procedure, but they have not furnished current conflict of interest forms for their officers and directors.	14
(ii)	It was recommended that the board of directors maintain complete minutes of its proceedings on such matters. The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	14
F	<u>Accounts and Records</u>	
(i)	It was recommended that in future the Company maintain adequate documentation for all amounts reported in every statement filed with the Department. The Company has complied with this recommendation.	15
(ii)	It was recommended that all future capital contributions, via the transfer of securities, be transacted at the securities' current market values. The Company has complied with this recommendation.	16
(iii)	It is recommended that the Company book its cash adjustments to the general ledger in a timely manner. The Company has complied with this recommendation.	16
(iv)	It was recommended that the Company research and resolve all "stale" outstanding checks. The Company has not complied with this recommendation. A similar recommendation is made in this report on examination.	16
(v)	It was recommended that the Company maintain accurate and complete workpapers supporting amounts reported in its filed annual statements. The Company has complied with this recommendation.	16

<u>ITEM</u>	<u>PAGE NO.</u>
(vi) It was recommended that the Company refrain from conducting business through a bank account that is not in its name and claiming the funds in this account as an admitted asset. The Company has complied with this recommendation.	16
(vii) It was recommended that the Company adhere strictly to the standard provisions of the agreements with its agents, as regards to the maintenance of escrow accounts. The Company has complied with this recommendation.	17
(viii) It was recommended that the Company seek to ensure that the agents maintain accurate records of all escrow deposits held and that the Company seek to obtain timely remittances of escrow deposits and premiums from its agents. The Company has complied with this recommendation.	17
It was recommended that the Company separate admitted assets of a value at least equal to the amount required for the statutory premium reserve as a segregated reserve fund, pursuant to the provisions of Section 6405(c) of the New York Insurance Law. The Company has complied with this recommendation.	18

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>	<u>PAGE NO.</u>
A	
<u>Management</u>	
(i)	4
It is recommended that the Company file its amended by-laws with the New York Insurance Department.	
(ii)	4
It is recommended that the Company abide by the provisions of its by-laws and utilized unanimous written consent option as specified therein and only use written consent in time of emergencies.	
(iii)	
<u>Conflict of Interest</u>	
It is recommended that the Company maintain signed conflict of interest statements for review upon examination.	5
B	
<u>Holding Company</u>	
(i)	9
It is recommended that the Company file its cost reimbursement agreements with the Department pursuant to the provisions of section 1505(d) of the New York Insurance Law.	
(ii)	9
It is recommended that the Company prepare written guidelines for the allocation of non-overhead expenses which are in accordance with Department Regulation 30.	
(iii)	9
It is recommended that the Company filed its tax allocation agreement with the Department pursuant to the provisions of the Department Circular Letter No. 33 (1979).	
C	
<u>Accounts and records</u>	
(i)	
<u>Approval of investments</u>	
It is recommended that the board of directors document review and approve of the Company's investment activities in compliance with Section 1411(a) of the New York Insurance Law.	11
(ii)	
<u>Cash</u>	
It is recommended that the Company segregate its outstanding checks to a separate control account on a regular and systematic basis.	11

ITEMPAGE NO.(iii) Custody Agreement

It is recommended that the custody agreement be amended to include all the required clauses set forth in the NAIC Financial Condition Examiners Handbook.

12

Respectfully submitted,

_____/s/
Max Vega, CFE

STATE OF NEW YORK)
)SS:
)
COUNTY OF NEW YORK)

MAX VEGA, being duly sworn, deposes and says that the foregoing report, subscribed to by him, is true to the best of his knowledge and belief.

_____/s/
Max Vega

Subscribed and sworn to before me

this _____ day of _____, 2005.

Appointment No 22116

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, GREGORY V.SERIO, Superintendent of Insurance of the State of New York,
pursuant to the provisions of the Insurance Law, do hereby appoint:

Max Vega

as proper person to examine into the affairs of the

NATIONAL TITLE INSURANCE COMPANY OF NEW YORK

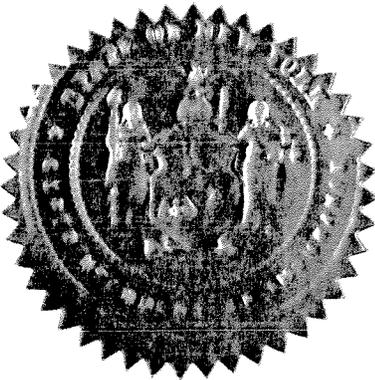
and to make a report to me in writing of the condition of the said

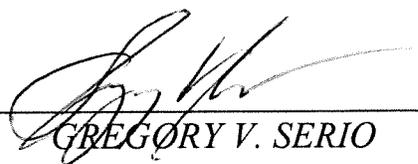
Company

with such other information as he shall deem requisite.

*In Witness Whereof, I have hereunto subscribed by the
name and affixed the official Seal of this Department, at
the City of New York,*

this 6th day of January, 2004





GREGORY V. SERIO
Superintendent of Insurance