

37850/JSB
E-Case # 1423

STATE OF MINNESOTA
COMMISSIONER OF COMMERCE

State of Minnesota
Dept. of Commerce

DEC 01 2016
Rec'd \$ 45,000

In the Matter of the Resident Agency
License of Liberty Title, Inc., License No.
20507839

CONSENT
CEASE AND DESIST
ORDER

TO: Liberty Title, Inc.
17267 Yale Street NW
Elk River, MN 55330

Commissioner of Commerce Mike Rothman ("Commissioner") has advised Liberty Title Inc. (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2014) and other applicable law against Respondent's Resident Agency Insurance Producer's license based on allegations that:

1. Liberty Title, Inc. ("Liberty Title") is a licensed provider of real estate settlement services including title insurance and transaction closing services. B.D. is a licensed real estate salesperson who received numerous things of value from Liberty Title and, in exchange, referred nearly all his clients who required settlement services to Liberty Title.
2. On July 7, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Houlihan's in Maple Grove, Minnesota.
3. On July 16-18, 2014 Liberty Title provided and B.D. received a thing of value, hotel accommodations, in San Francisco, California.
4. On July 25, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Wild Bills in Maple Grove, Minnesota.
5. On July 31, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Granite City in Maple Grove, Minnesota.

6. On August 15, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Rojo in St. Louis Park, Minnesota.

7. On September 5, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at 3 Squares in Maple Grove, Minnesota.

8. On October 27, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Clives in Blaine, Minnesota.

9. On November 11, 2014 Liberty Title provided and B.D. received a thing of value, a meal, at Royal House in New Orleans, Louisiana.

10. On November 26, 2014 Liberty Title provided and B.D. received a thing of value, \$980.00 for beverage upgrades relating to a client appreciation event hosted by B.D. at the Xcel Energy Center for a Minnesota Wild hockey game.

11. On May 6, 2015 Liberty Title provided and B.D. received a thing of value, a meal, at Malone's in Maple Grove, Minnesota.

12. On June 4, 2015 Liberty Title provided and B.D. received a thing of value, a meal, a meal, at the Cheesecake Factory in Edina, Minnesota.

13. B.D. represented buyers and/or sellers in sixty-nine (69) transactions which closed between January 1, 2013 and December 31, 2015.

14. B.D.'s clients closed twenty (20) transactions in 2013. Zero (0) of those transactions closed at Liberty Title.

15. B.D.'s clients closed twenty-six (26) transactions in 2014. Eight (8) of the twenty-six (26) (30.77%) closed at Liberty Title. Prior to the July 2014 real estate conference in San Francisco (see Paragraph 3 above), only two (2) of thirteen (13) (15.38%) 2014 transactions that closed before the date of the conference closed at Liberty Title. After the July 2014 real estate conference in San Francisco, six (6) of the remaining thirteen (13) 2014 transactions (46.15%) closed at Liberty Title.

16. B.D.'s client's closed twenty-three (23) transactions in 2015. Twenty (20) of those twenty-three (23) transactions (86.96%) closed at Liberty Title.

17. Pursuant to 12 CFR § 1024.14(e), a quid pro quo agreement or understanding for the referral of settlement services in violation of the anti-kickback provisions of RESPA may be established by a pattern or practice of conduct by the parties without the finding that a written or verbalized agreement existed between the parties. The contacts between Respondent and B.D. as set forth in paragraphs 2 through 14 and B.D.'s increased rate of client referrals to Respondent as set forth in paragraphs 15 and 16 establish a pattern or practice of conduct by the parties from which a quid pro quo agreement or arrangement for the referral of settlement services existed in violation of the anti-kickback provisions in RESPA at 12 USC § 2607(a) and, in violating RESPA, Respondent violated Minn. Stat. §§ 45.027, subd. 7(a)(2) and 60K.48, subd. 1.

Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2014) and Minn. R. 1400.5900 (2015).

The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED that, Respondent shall pay to the State of Minnesota a civil penalty of \$45,000.

IT IS FURTHER ORDERED that, Respondent shall cease and desist from violating any laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner.

IT IS FURTHER ORDERED that, Respondent shall pay investigative costs pursuant to Minn. Stat. § 45.027, subd. 1(8) (2014).

This Order shall be effective upon signature on behalf of the Commissioner.

MIKE ROTHMAN
Commissioner

Dated: 12-5-2016.

By: 

MARTIN FLEISCHHACKER
Assistant Commissioner—
Enforcement Division

85 7th Place East, Ste. 500
St. Paul, MN 55101
Telephone: (651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned, Jeffrey G. Zweifel, states that he has read the attached Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of Liberty Title, Inc. (Respondent); that he acknowledges Respondent has been advised of its right to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and that Respondent hereby expressly waives that right. Jeffrey G. Zweifel further acknowledges that Respondent has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right Respondent hereby expressly waives, and Respondent consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Liberty Title, Inc.

By: _____

Jeffrey G. Zweifel

Its: _____

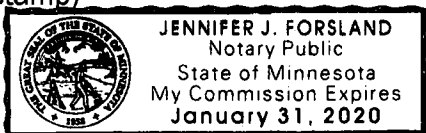
Designated Individual Producer

STATE OF Minnesota

COUNTY OF Anoka

Signed or attested before me on November 28, 2014 (date) by Jeffrey G. Zweifel.

(stamp)



(Signature of notary officer)

Title (and Rank) _____
My Commission expires: 1/31/20