

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of)	
)	
Trent C. Jonas, NPN 1008094,)	ORDER OF REVOCATION
TitleSource, Ltd., FEIN 41-1959841,)	
Zen Title, LLC, FEIN 20-2665608,)	FILE NO. AG-10-276
)	
Respondents.)	

Insurance Commissioner Adam Hamm (“Commissioner”) has determined as follows:

1. Trent C. Jonas, NPN 1008094, DOB 9/5/68, is presently and has been at all times pertinent to this action, a licensed nonresident North Dakota insurance producer.
2. TitleSource, Ltd., FEIN 41-1959841, and Zen Title LLC, FEIN 20-2665608, are presently and have been at all times pertinent to this action, licensed nonresident North Dakota business entities.
3. Respondents held resident licenses issued by the State of Minnesota.
4. N.D. Cent. Code § 26.1-26-42.1 states, in part, that:

. . . [A]ny nonresident license issued pursuant to this chapter may be suspended or revoked without notice and hearing to the licensee and without proceeding in conformity with chapter 28-32, upon evidence in the form of a certified copy that the authority which issued the resident license to the North Dakota nonresident licensee has revoked or suspended the resident license.
5. According to a certified copy of Findings of Fact, Conclusions of Law, and Order obtained by the Department, the insurance licenses of Respondents were

revoked by the State of Minnesota on March 14, 2008. See Attachment 1. Since Respondents no longer hold active resident licenses from another state, they no longer qualify to hold active nonresident licenses in this state and, therefore, are subject to license revocation without notice and hearing pursuant to N.D.C.C. §§ 26.1-26-42(4) and (13) and 26.1-26-42.1.

NOW, THEREFORE, IT IS HEREBY ORDERED that the nonresident licenses of Respondents are **REVOKED** effective immediately.

This Order is effective this 27th day of August, 2010.



Adam Hamm
Commissioner
N.D. Insurance Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2440

IN1321/KB
IN3150/KB
E-Case 125

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
COMMISSIONER OF COMMERCE

In the Matter of the Insurance
Licenses of TitleSource, Ltd., doing
Business as TitleDirect; Zen Title, LLC;
Trent C. Jonas; Jennifer Kalsow Frantz;
Charles E. Bethel; Home Sweet Home
Equity, LLC; Home Sweet Home Equity Corp.;
3E Properties; and Nez Title

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER**

OAH Docket No. 58-1004-19244-2

The matter came on for a hearing before Administrative Law Judge Linda F. Close on October 26, 2007 at the Office of Administrative Hearings in St. Paul. Assistant Attorney General Michael J. Tostengard, Assistant Attorney General, 445 Minnesota St. #1200, St. Paul, MN 55102-2130 appeared on behalf of the Department of Commerce. John R. Grieme, Esq., Bethel, Grieme & Clippert, 2677 County Road 10, Moundsview, MN 55112 appeared on behalf of Respondent Charles E. Bethel. Steven E. Wolter, Esq., Kelly & Wolter, PA, Center Village Offices, Suite 2530, 431 South Seventh St., Minneapolis, MN 55415, appeared on behalf of Respondents Trent C. Jonas; Home Sweet Home Equity, LLC; Home Sweet Home Equity Corp.; and 3E Properties. Thomas M. Kelly, Esq., 220 South Sixth St. #215, Minneapolis, MN 55402, appeared on behalf of Respondent Jennifer Kalsow Frantz. Respondents TitleSource, Ltd., doing business as TitleDirect (TitleSource), 2677 County Road 10 N.E., Moundsview, MN; and Zen Title, LLC. (Zen Title), 2984 Rice St., Little Canada, MN did not appear in person or by counsel. The hearing with respect to those Respondents who did appear on October 26, 2007 was reset to January 14-15, 2008. The Administrative Law Judge's Findings of Fact, Conclusions, and Recommendation regarding the defaulting parties were issued November 20, 2007. In accordance with Minn. Stat. § 45.024 (2006), Commissioner of Commerce Glenn Wilson

delegated the authority to issue a final order in this matter to Deputy Commissioner of Commerce Kevin M. Murphy. By letter dated November 26, 2007, Deputy Commissioner Murphy informed the parties of their right to file exceptions and argument with the Commissioner regarding the Administrative Law Judge's Findings of Fact, Conclusions and Recommendation. The Department's argument was made by letter dated December 17, 2007. No exceptions or arguments were filed by the defaulting parties and the record closed on December 17, 2007.

Based upon all the facts, records and proceedings herein, the Commissioner makes the following:

FINDINGS OF FACT

1. The Commissioner adopts in their entirety and incorporates as his own all of the Findings of Fact contained in the Administrative Law Judge's Report.
2. Any Finding of Fact herein, which should more properly be deemed a Conclusion of Law, is hereby adopted as such.

Based upon the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. The Commissioner adopts and incorporates herein by reference all of the Conclusions contained in the Administrative Law Judge's Report.
2. Any Conclusion of Law herein, which should more properly be deemed a Finding of Fact, is hereby adopted as such.
3. This Order is in the public interest.

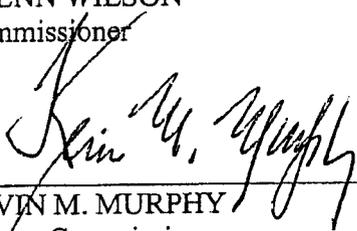
ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that the Respondents' insurance agency licenses are hereby REVOKED.

IT IS FURTHER ORDERED that each Respondent shall pay to the State of Minnesota a civil penalty of \$2,000,000. Pursuant to Minn. Stat. § 16D.17(1) (2006), each Respondent is notified that this shall become a final civil penalty order unless the Respondent requests a hearing from the Department on the civil penalty within 30 days. Each Respondent is further notified that when the civil penalty order becomes final, the Commissioner of Commerce may file and enforce the civil penalty in the same manner as a district court judgment against Respondent without further notice or additional proceedings. Minn. Stat. § 16D.17(2) (2006).

Dated: March 14, 2008

GLENN WILSON
Commissioner

By: 
KEVIN M. MURPHY
Deputy Commissioner
Financial Examinations Division

85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101
Telephone: (651) 296-2715

MEMORANDUM

This matter comes before the Commissioner following Respondents' default at a prehearing conference. The Department's Order for Prehearing Conference in this matter was properly issued and served upon Respondents, providing them proper notice that administrative action was being initiated against them, and that Respondents would be deemed in default and the allegations set forth would be deemed proven if Respondents failed to appear at the prehearing conference. Despite this notice, no one appeared on behalf of Respondents at the prehearing conference. As a result, the Commissioner is authorized to dispose of this contested case proceeding adversely to any party who defaults in accordance with Minn. R. 1400.6000 (2005). As a result of Respondents' default, the allegations in the Department's Order for Hearing are taken as true and deemed proven.

The record indicates that Respondents TitleSource, Ltd., doing business as TitleDirect (TitleSource) and Zen Title, LLC (Zen Title) are currently licensed by the Commerce Department as insurance agencies, license number #20332549 and #20518538 respectively, TitleSource does real estate closings and a title insurance business from its office in Moundsview, Minnesota. Zen Title also operates a title insurance business from the same office location as TitleSource.

The record also indicates that the Respondents have failed to record in excess of 3,000 mortgages and related documents on real estate transactions which they had closed; failed to issue and deliver title insurance policies on behalf of insurers to lenders and property owners despite having received applications and premiums for same; failed to remit premiums to an insurer amounting to at least \$196,092.48; and failed to make \$1,321,865.58 in mortgage payoffs to prior lenders, all in violation of Minnesota statutes. One of the mortgages not recorded was in the amount of \$800,000 and involved the home of the principal owner of the Respondents. By

failing to record mortgages, Respondents have caused losses to lender and exposed homeowners to mortgage priority disputes which can cloud property titles, with attendant delays and expense to consumers. Respondents' violations are serious and warrant revocation of Respondents' licenses and imposition of a civil penalty in the amount of \$2,000,000.

K.M.M.