

No. **2025-9059**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 1/9/2025

Subjects Considered:

Valero Title, Inc.
Consumer First Title, Inc.
8911 N. Capital of Texas Hwy, Ste 4200
Austin, Texas 78759-7439

Melvin Brookins
Austin, Texas 78746-1991

Consent Order
TDI Enforcement File Nos. 35722, 36057 & 36268

General remarks and official action taken:

This is a consent order with Valero Title, Inc. (Valero Title), Consumer First Title, Inc. (Consumer First), and Melvin Brookins (Brookins) (collectively referred to as Respondents) because Respondents misappropriated escrow funds intended for title insurance closings, engaged in fraudulent and dishonest practices, failed to maintain separate and distinct accounting of escrow accounts from other accounts, and failed to disburse escrow funds only in accordance with the signed settlement statement. Respondents must cease and desist from continued violations and must comply with all applicable title insurance laws. Further, Brookins is removed from all Valero Title and Consumer First operations and his escrow officer's license is revoked.

Waiver

Respondents acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Respondents waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 2 of 10

Findings of Fact

1. Valero Title, firm identification no. 92214, holds a title agency license issued on March 28, 2008.
2. Consumer First, firm identification no. 176152, holds a title agency license issued on December 30, 2020.
3. Valero Title is 45% owned by Melvin Brookins, individual identification no. 1315791, who holds an escrow officer license originally issued on March 28, 2008. Brookins is listed as Valero Title's vice president, onsite manager, treasurer, director, and escrow officer.
4. Consumer First is 25% owned by Brookins. Brookins is listed as Consumer First's president, onsite manager, director, and escrow officer.
5. Brookins has authority, access, and control over Valero Title's and Consumer First's escrow and operating accounts.

Escrow and Operating Account Deficiencies and Guaranty File Shortages

6. TDI's Title Examination Section conducted a routine comprehensive audit of Valero Title beginning on July 10, 2024.
7. Staff's audit of Valero Title's escrow account included summaries of the escrow funds identified in the three-way reconciliations, including detailed analysis of the debit files, deposits in transits, and ending trial balances.
8. Staff identified multiple unauthorized transfers from Valero Title's main escrow account ending in 6042 held at Bank of America, to its operating account ending in 6055 also held at Bank of America.
9. These transfers were not related to title insurance premiums or other fees earned by Valero Title or as a part of title insurance closings, and without these transfers, Valero Title's operating accounts would have been overdrawn. Valero Title would not have been able to meet its financial obligations.
10. Staff also observed that many of the unauthorized transfers from escrow to operating accounts occurred on the same day as Valero Title disbursed its payroll.

2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 3 of 10

11. The audit showed that Brookins booked the unauthorized disbursements to random and unrelated guaranty files to obscure the transfers and hide shortages in the escrow account.
12. Valero Title therefore did not disburse escrow funds in these guaranty files in accordance with the signed settlement statements.
13. Staff further identified that accounting records were altered by Brookins to reflect improper receipt dates to cover up the transfers and shortages.
14. The audit revealed 17 unauthorized transfers from Valero Title's escrow account to its operating account, totaling \$230,128.52.
15. TDI's Title Examination Section conducted a special investigation of Consumer First's escrow and operating accounts.
16. Staff identified at least three unauthorized transfers from Consumer First's escrow account ending in 5099 held at Bank of America to Valero Title's operating accounts ending in 6055 and 1243, both held at Bank of America.
17. The three unauthorized transfers totaled \$30,000.
18. Again, these transfers were booked to unrelated guaranty files in an attempt to cover up the shortages in the escrow account.
19. Consumer First therefore did not disburse escrow funds in these guaranty files in accordance with the signed settlement statements.
20. One \$6,000 transfer into Valero Title's operating account ending in 1243 was then immediately transferred into Brookin's personal account ending in 0054, also held at Bank of America.
21. The related bank account record for Valero Title's operating account ending in 1243 was altered to show the \$6,000 transfer was from an account ending in "0935," however other bank statements and confirmations show this transfer came directly from Consumer First's escrow account ending in 5099.
22. Without the transfers from Consumer First's escrow account, Valero Title's operating accounts would have been significantly overdrawn.

2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 4 of 10

23. Finally, staff reviewed Valero Title's financial statements including its balance sheet and profit and loss statements. Valero Title had negative equity at the time of the audit and could fail to meet short-term and long-term obligations.

Respondents' Representations and Subsequent Remedial Actions

24. Brookins represents that he was solely responsible for the unauthorized transfers from Valero Title's and Consumer First's escrow accounts to Valero Title's operating accounts and his personal account.
25. Brookins represents that he was solely responsible for the booking of these unauthorized transfers to random guaranty files to cover up shortages in the escrow accounts.
26. Brookins represents that he was solely responsible for altering financial statements and bank records to cover up the shortages in the escrow accounts.
27. Brookins represents that he hid his actions from other owners and employees at Valero Title and Consumer First.
28. Brookins represents that he returned \$230,128.52 back to the Valero Title escrow account and \$30,000 back to the Consumer First escrow account.
29. Brookins represents that he has no access, control, authority over, or ability to make any transfers from any escrow or operating accounts at Valero Title or Consumer First.
30. Brookins represents that he has taken the following steps at both Valero Title and Consumer First:
 - a. Removed himself as a signer from all bank accounts, including but not limited to escrow and operating accounts;
 - b. Restricted his Ramquest user access to read only view for escrow and accounting purposes;
 - c. Removed all advertisements showing he is a part of the agency or associations on agency websites;
 - d. Removed himself from agency day-to-day operations;
 - e. Removed himself as an authorized contact and updated new contacts for any agency bills, notifications, or bank related records or statements; and

2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 5 of 10

- f. Ceased doing any acts that require an escrow officer's license.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.002, 82.051–82.055, 2651.151, 2651.301, 2652.201, and 2702.053.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.
3. Respondents have knowingly and voluntarily waived all procedural rights to which they may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Valero Title and Consumer First have misappropriated or converted to the applicant's or license holder's own use or illegally withheld money belonging to a title insurance company, an insured, or another person, in violation of TEX. INS. CODE § 2651.301(4).
5. Valero Title and Consumer First are guilty of fraudulent or dishonest practices, in violation of TEX. INS. CODE § 2651.301(5).
6. Valero Title and Consumer First have failed to maintain a separate and distinct accounting of escrow funds, and an escrow bank account or accounts separate and apart from all other accounts, in violation of TEX. INS. CODE § 2651.301(7).
7. Brookins has willfully violated Title 11 of the Texas Insurance Code, in violation of TEX. INS. CODE § 2652.201(a)(1).
8. Brookins misappropriated or converted to his own use or illegally withheld money belonging to a title insurance agent, direct operation, or another person, in violation of TEX. INS. CODE § 2652.201(a)(4).
9. Brookins is guilty of fraudulent or dishonest practices, in violation of TEX. INS. CODE § 2652.201(a)(5).

2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 6 of 10

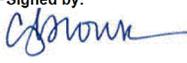
10. Respondents have failed to disburse escrow funds only in accordance with a signed settlement statement, in violation of TEX. INS. CODE § 2702.053.

Order

It is ordered that Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins, as well as its agents, employees, and other representatives, shall cease and desist from doing the following:

1. Willfully violating Title 11 of the Texas Insurance Code;
2. Misappropriating or converting or illegally withholding money belonging to a title insurance company, an insured, or another person;
3. Engaging in fraudulent or dishonest practices;
4. Failing to maintain a separate and distinct accounting of escrow funds and an escrow bank account or accounts separate and apart from all other accounts; and
5. Failing to disburse escrow funds only in accordance with a signed settlement statement.

It is further ordered that Melvin Brookins escrow officer's license is revoked and that he may not apply for any license issued by the Texas Department of Insurance for at least five years as of the date this order is signed.

Signed by:

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Cassie Brown
Commissioner of Insurance

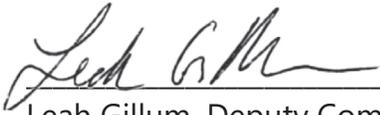
2025-9059

Commissioner's Order

Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins

Page 7 of 10

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Whitney Fraser, Director of Litigation

Commissioner's Order
Valero Title, Inc., Consumer First Title, Inc., and Melvin Brookins
Page 9 of 10

Affidavit

STATE OF Texas §

§

COUNTY OF Travis §

Before me, the undersigned authority, personally appeared Josephine Vasquez, who being by me duly sworn, deposed as follows:

"My name is Josephine Vasquez. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Vice President and am the authorized representative of Consumer First Title, Inc. I am duly authorized by said organization to execute this statement.

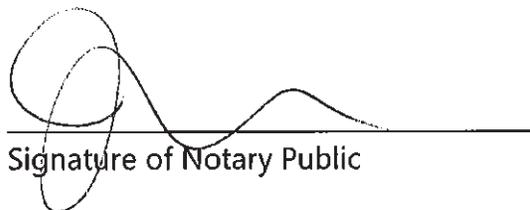
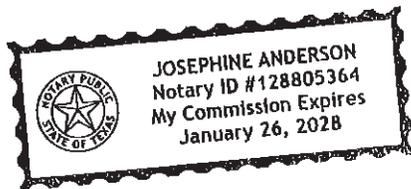
Consumer First Title, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on December 20, 2024.

(NOTARY SEAL)



Signature of Notary Public

JOSEPHINE ANDERSON

Printed Name of Notary Public

