

No. **2025-9089**

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

Date: 01/23/2025

Subject Considered:

Spark Title, LLC
9050 Capitol of Texas Hwy, Bldg. 3 Ste. 255
Austin, TX 78759

Consent Order
TDI Enforcement File No. 35656

General remarks and official action taken:

This is a consent order with Spark Title, LLC (Spark Title). The Texas Department of Insurance (TDI) conducted a title agent compliance audit and discovered violations of the Texas Insurance Code and Texas Administrative Code. Spark Title has agreed to pay an administrative penalty of \$20,000.

Waiver

Spark Title acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Spark Title waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

Background and Licensure

1. Spark Title, firm identification number 145834, holds a title agency license issued by TDI on June 29, 2018.

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2. TDI conducted a comprehensive compliance audit of Spark Title as of August 7, 2024.

Escrow Officer Appointments

3. Spark Title failed to timely submit Escrow Officer Appointment forms (FINT09) for two unappointed escrow officers who closed:
 - a. seven files between November 14, 2023, and August 7, 2024; and
 - b. 2,066 files between September 2020, and August 7, 2024.
4. Spark Title later submitted the FINT09 to TDI for both escrow officers appointing them on August 8, 2024.
5. After a different escrow officer separated from employment in July 2020, Spark Title failed to timely file with TDI a FINT09 to cancel this escrow officer's appointment. Spark Title filed this FINT09 on July 29, 2024, nearly four years after this escrow officer's separation.

Failure to Timely File Reports

6. Spark Title failed to timely file its Title Agent's Unencumbered Assets Certification Report (Form T-S1) in September 2023. Spark Title filed the report on July 26, 2024, nearly 10 months late.
7. Spark Title failed to timely file its Title Agent Certification of Agent's Quarterly Tax Report (Form T-S5) for all quarters of 2023 and the first quarter of 2024. Each of these reports was due not later than 45 days after the end of each quarter, but Spark Title did not file them until July 2024.

Minimum Escrow Accounting Procedures and Internal Controls

8. Comprehensive audit procedures were performed on Spark Title's escrow accounting records for March and April 2024.
9. Spark Title failed to have its March three-way reconciliation reviewed by management or another employee.

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10. Spark Title failed to properly style its escrow bank account as an "escrow account" or "trust account."

Guaranty File Errors

11. TDI randomly sampled guaranty files for compliance, including 10 files for comprehensive review and five files for directly-issued policies.
12. In two files, all parties receiving a portion of the real estate commission were not disclosed in the settlement statements.
13. In all 15 files, there were no outgoing wire authorization forms.
14. In five files, Spark Title failed to maintain the last three paragraphs and all signature lines on the same page of the Form T-64.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 2602.103, 2651.051, and 2651.301; and 28 TEX. ADMIN. CODE § 9.1, which adopts the *Texas Title Insurance Basic Manual* ("Basic Manual").
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. Spark Title has knowingly and voluntarily waived all procedural rights to which it 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. Spark Title violated TEX. INS. CODE § 2652.1511(b) and Administrative Rule L-2(III)(A)(2) of the Basic Manual, Section VI, by failing to appoint escrow officers before the escrow officer acted in that capacity.
5. Spark Title violated Administrative Rule L-2(III)(B)(2) of the Basic Manual, Section VI, by failing to timely file an Escrow Officer Appointment (Form FINT09) form to cancel an appointment.

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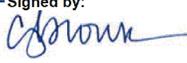
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6. Spark Title violated Rule S.1 of the Basic Manual, Section VI, by failing to timely file its annual Title Agent's Unencumbered Assets Certification Report for 2023.
7. Spark Title violated Rule S.5 of the Basic Manual, Section VI, by failing to timely file multiple T-S5 Forms, the Title Agent Certification of Agent's Quarterly Tax Report.
8. Spark Title violated Minimum Escrow Accounting Procedures and Internal Controls Requirement 3 of the Basic Manual, Section V, by failing to have a three-way reconciliation reviewed by a manager, supervisor, or employee.
9. Spark Title violated Minimum Escrow Accounting Procedures and Internal Controls Requirement 9 of the Basic Manual, Section V, by failing to style its escrow bank account as an "escrow account" or "trust account."
10. Spark Title violated Procedural Rule P-32 of the Basic Manual, Section IV, by failing to preserve and retain outgoing wire authorization forms in all files.
11. Spark Title violated Procedural Rule P-73 of the Basic Manual, Section IV, by failing to ensure the last three paragraphs and all signature lines were retained on the same page of the Form T-64.

Order

It is ordered that Spark Title, LLC, pay an administrative penalty of \$20,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

Signed by:

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Cassie Brown
Commissioner of Insurance

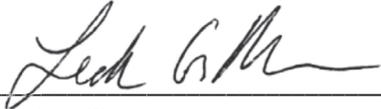
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Kaycee Crisp, Staff Attorney
Enforcement

Affidavit

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

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

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

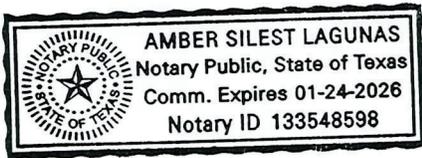
I hold the office of President/Manager and am the authorized representative of Spark Title, LLC. I am duly authorized by said organization to execute this statement.

Spark Title, LLC, 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 Brett Appolito

SWORN TO AND SUBSCRIBED before me on January 7, 2025.

(NOTARY SEAL)



Signature of Notary Public

Amber Laganas

Printed Name of Notary Public