

No. **2026-9753**

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

**Date: 01/22/2026**

**Subject Considered:**

Royal Abstract of Texas LLC  
200 Silken Crossing Rd, Suite 204A  
Midlothian, Texas 76065

Consent Order  
TDI Enforcement File No. 37775

**General remarks and official action taken:**

This is a consent order with Royal Abstract of Texas LLC (Royal Abstract). The Texas Department of Insurance (TDI) conducted a compliance audit and discovered violations of the Texas Insurance Code and Texas Administrative Code. Royal Abstract has agreed to pay an administrative penalty of \$65,000.

**Waiver**

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

**Findings of Fact**

1. Royal Abstract, firm identification number 217851, holds a title agency license with an underwriter qualification issued by TDI on October 10, 2024.
2. TDI conducted a comprehensive compliance audit of Royal Abstract as of July 17, 2025, pursuant to TEX. INS. CODE § 2602.103.

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### Unauthorized Business of Insurance

3. A person engages in the business of title insurance if the person:
  - a. As insurer, guarantor, or surety, makes or proposes to make a contract or policy of title insurance or its equivalent;
  - b. Transacts or proposes to transact any phase of title insurance, including;
    - i. Soliciting;
    - ii. Title examination other than an examination conducted by an attorney;
    - iii. Closing the transaction than a closing conducted by an attorney;
    - iv. Executing a contract of title insurance; and
    - v. Insurance and transacting matters arising out of the contract after the contract is executed, including reinsurance; or
  - c. Makes a guaranty or warranty of title search or a title examination, or any component of a title search or title examination, if the person is not the person who performs the search or examination;
  - d. Doing any kind of insurance business specifically recognized as constituting insurance business within the meaning of statutes relating to insurance.
4. Royal Abstract engaged in the unauthorized business of title insurance by allowing unlicensed, out-of-state personnel from its parent company office in New York to be involved in the coordination and completion of closing a transaction, and preparation of all title commitments and title policies.

### Electronic Signatures

5. Title agents must ensure that an electronically produced form shall be signed either with an original signature or by a safeguarded signature.
6. In two files reviewed, evidence indicated that electronic signatures were being improperly applied to title insurance commitments and title policies because they were not safeguarded.

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### Escrow Officer Licensing and Appointment

7. An individual may not act as an escrow officer unless the individual is licensed, covered by a surety bond or deposit as required, and appointed as an escrow officer by the title agent or direction operation.
8. The audit revealed that escrow checks contained the signature of an agency director who was not licensed as an escrow officer in Texas. All escrow checks, and outgoing wires were issued by unlicensed personnel located in New York.
9. Title commitment and policies for one file reviewed were signed by an agency director in New York who was not licensed as escrow officer in Texas.

### Policy Guaranty Fees

10. Title insurance agents are required to collect and remit a guaranty fee for each owner policy and loan policy issued by the agency.
11. In all files reviewed, the policy guaranty fees collected were incorrect because Royal Abstract collected \$5 per policy rather than \$2 per policy.
12. The maintenance of policy guaranty fees in the same bank account as the operating funds represents commingling of escrow with operating funds.
13. Policy guaranty fees and operating funds were both being maintained in an account that was primarily being used as the operating bank account for the agency.

### Failure to Timely Submit Quarterly Tax Reports

14. Title agents are required to file with TDI the Title Agent Certification of Agent's Quarterly Tax Reports (Form T-S5). Form T-S5 must be submitted to TDI no later than 45 days after the end of the quarter.
15. Royal Abstract failed to timely submit its Form T-S5 for the fourth quarter of 2024 and the first quarter of 2025. Both quarters were not submitted until July 2025.

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### Title Insurance Policies

16. In all files reviewed, Royal Abstract issued policies for property located in counties for which it was not licensed.
17. In all files reviewed, the premium charged was not disclosed on the Owner's Title Policy.
18. In all files reviewed, the premium charged was not disclosed on the Loan Title Policy.

### Minimum Escrow Accounting Procedures and Internal Controls

19. There were multiple violations of the minimum escrow accounting procedures and internal controls:
  - a. On one escrow bank statement reviewed, one escrow check cleared the bank without any signatures;
  - b. In all files reviewed, the item descriptions were missing for all disbursements on the disbursement sheet;
  - c. In all files reviewed, the disbursement type was incorrect on all outgoing wire transactions. Wires were shown as check with no check number association;
  - d. In all files reviewed, the invoice did not support the amount disbursed for recording fees.

### Guaranty Files

20. The following violations and exceptions were found in the audit of guaranty files:
  - a. In all files reviewed, the item description for disbursement was not disclosed on the settlement statement;
  - b. In all files reviewed, the settlement statements were not signed by the settlement agent;

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- c. In all files reviewed, the premium split for title services was not disclosed on the settlement statement;
- d. In all files reviewed, unauthorized fees were charged and paid to Royal Abstract for search and exam, title continuation, processing, and MLS searches in addition to the title premium and escrow fee;
- e. In one file reviewed, Royal Abstract calculated the basic premium rate incorrectly on the owner's title policy which also resulted in incorrect endorsement premium calculations. These miscalculations caused a premium overcharge of \$1,056.70;
- f. In one file reviewed, Royal Abstract issued a survey amendment on the owner's title policy but failed to collect the premium;
- g. In one file reviewed, the T-19 endorsement on the loan title policy was calculated incorrectly;
- h. In all files reviewed, the estimated premium information was not disclosed on Schedule D of the title commitment;
- i. In all files reviewed, the anticipated premium split for title services was not disclosed on Schedule D of the title commitment;
- j. In two files reviewed, Royal Abstract's name in Section 2 was incorrect and/or the officer/director information was not disclosed on Schedule D of the title commitment;
- k. In two files reviewed, the premium information in Section 2 of the Verification of Services Rendered (Form T-00) was incomplete;
- l. In all files reviewed, Form T-00 was not signed by all parties;
- m. In all files reviewed, outgoing wire authorization forms were not found in scanned files;

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## Statistical Report

21. A review of the statistical report for the calendar year ending December 31, 2024, revealed sufficient discrepancies to indicate that data submitted in the report was inaccurate. Discrepancies included:
  - a. Financial information reported was not based on or supported by financial statements of Royal Abstract. Expenses were based on estimates of the actual expenses incurred.
  - b. Title Premiums received were not reported on Form B of the statistical report and were erroneously reported on Form D.

## **Conclusions of Law**

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 2501.003, 2602.151, 2651.008, 2651.151, 2651.301, 2652.001–2652.002, 2702.053, 2703.153; and 28 TEX. ADMIN. CODE § 9.1, adopting 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. Royal Abstract 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. Royal Abstract engaged in the unauthorized business of title insurance by allowing unlicensed, out-of-state personnel to be involved in the coordination and completion of closing a transaction, and preparation of all title commitments and title policies in violation of TEX. INS. CODE §§ 101.051 and 2501.005(3).
5. Royal Abstract allowed an electronically produced form to be electronically signed without the required safeguarded signature in violation of Procedural Rule P-17.
6. Royal Abstract allowed unlicensed individuals to perform the duties of an escrow officer, in violation of TEX. INS. CODE §§ 2652.001 and 2501.003.

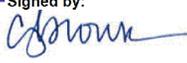
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7. Royal Abstract collected incorrect policy guaranty fees, in violation of TEX. INS. CODE § 2602.151 and Administrative Rule G.1.
8. Royal Abstract commingled escrow and operating funds, in violation of TEX. INS. CODE § 2651.301(7).
9. Royal Abstract failed to timely submit quarterly tax reports, in violation of Administrative Rule S.5.
10. Royal Abstract issued policies for property located in counties for which it was licensed in violation of TEX. INS. CODE § 2651.001.
11. Royal Abstract failed to disclose the premium charged on title policy in violation of Form T-1 and Form T-2.
12. Royal Abstract failed to maintain minimum escrow accounting procedures and internal controls, in violation of Section V requirement nos. 5, 15, and 16 of the Basic Manual.
13. Royal Abstract failed to make proper disclosures and had errors in guaranty files, in violation of TEX. INS. CODE § 2702.053, 2704.001; Rate Rules R-16 and R-29; and Procedural Rules P-21, P-22, P-32.

## Order

It is ordered that Royal Abstract of Texas LLC pay an administrative penalty of \$65,000 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:   
FC5D7EDDFFBB4F8... \_\_\_\_\_  
Cassie Brown  
Commissioner of Insurance

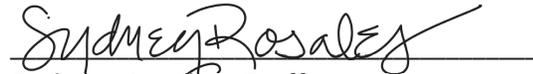
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



Sydney Rosales, Staff Attorney  
Enforcement

Affidavit

STATE OF New York §

§

COUNTY OF New York §

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

"My name is Michael Roberts. 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 COO & General Counsel and am the authorized representative of Royal Abstract of Texas LLC. I am duly authorized by said organization to execute this statement.

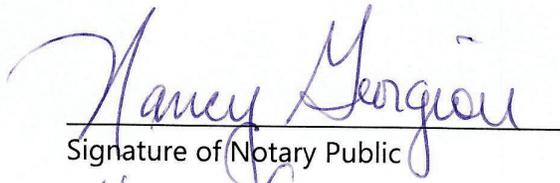
Royal Abstract of Texas LLC has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on January 7, 2026.

(NOTARY SEAL)

  
Signature of Notary Public

Nancy Georgiou  
Printed Name of Notary Public

**NANCY GEORGIU**  
Notary Public - State of New York  
No. 01GE6256421  
Qualified in Suffolk County  
Commission Expires February 27, 2028