MIKE WINSOR
Office of the Commissioner of
Securities and Insurance
840 Helena Avenue
Helena, Montana 59601
(406) 444-2040

Attorney for the Department of Insurance

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA

IN THE MATTER OF THE PROPOSED AGENCY ACTION REGARDING THE INSURANCE PRODUCER LICENSE OF STACEY M. HEBUCK, LICENSE # 680678.	CASE NO. INS-2009-1616 **APPLICATION FOR FINAL AGENCY DECISION BY DEFAULT**

The Insurance Department of the Office of the Commissioner of Securities and Insurance, Montana State Auditor (Department), by and through its legal counsel, Mike Winsor, moves the Commissioner of Securities and Insurance for Entry of Default Judgment pursuant to the provisions of Mont.R.Civ.P. Rule 55. The Department bases its request on the following:

ALLEGATIONS OF FACT

1. On August 1, 2005, Stacey M. Hebuck (Respondent) began working for Pinnacle Title and Escrow, which was owned by Ed Janecek ("Janecek") and Clayton Christian ("Christian"). Exhibit A, Affidavit of Lynn Wilburn, ¶ 15; see also Exhibit B, Individual Producer Application for License, ¶ 6.

2. On January 19, 2007, Respondent obtained her insurance producer license from the Department. Exhibit C, Producer License Number 680678.

3. In the middle of 2007, Respondent felt that Janecek and Christian did not care about her, as it was her perception that they continually tried to cut her pay. Exhibit A ¶ 15.

4. Soon thereafter, Respondent began embezzling an unknown amount of money from Pinnacle Title and Escrow. Exhibit A ¶ 15.

5. In August of 2008, Respondent bought Pinnacle Title and Escrow from Janecek and Christian. Exhibit A ¶ 17.

6. Since Respondent had a felony conviction on her record for Welfare Fraud in California, which disqualified her from purchasing Pinnacle Title and Escrow, the business was purchased in the name of Respondent's sister, Jennifer Durgan. Exhibit A ¶ 18.

7. The business was renamed New Pinnacle Title, LLC (License # 703440), although Respondent failed to disclose to the Department in her application for a business entity license that she had been previously convicted of a felony. Exhibit D, Business Entity Application for License, ¶ 9.

8. Respondent also failed to disclose on her individual title producer license application that she had a previous felony conviction. Exhibit B ¶ 10.

9. In June of 2008, in order to make the $200,000 down payment due in August to purchase Pinnacle Title and Escrow, Respondent took $239,172.52, which was supposed to be paid to PHH Mortgage Services for purposes of paying off a prior

mortgage, and deposited it into her personal checking account at First Interstate Bank. Exhibit A ¶ 17.

10. Respondent paid Janecek and Christian $200,000 and began paying $1,860.37 per month using electronic transfers from her personal checking account to maintain the monthly mortgage payments related to that transaction. Exhibit A ¶ 17.

11. In November of 2008, Respondent took $81,982.78, which was to be used to pay off a prior mortgage, and deposited it in her personal checking account. Exhibit A ¶ 20.

12. Respondent subsequently paid off the $81,982.78 by taking money from another closing. Exhibit A ¶ 20.

13. On January 21, 2009, Respondent took $157,443.45, which was supposed to be paid to Countrywide for purposes of paying off a prior mortgage, and deposited it into her personal checking account. Exhibit A ¶¶ 20-21.

14. Respondent began making the monthly mortgage payments to Countrywide from her personal checking account. Exhibit A ¶ 20.

15. Sometime between August of 2008 and January of 2009, Respondent also took $269,543.89, which was supposed to pay off a prior mortgage, and deposited it into her personal checking account. Exhibit A ¶ 20.

16. As of February of 2009, Respondent was also making the monthly mortgage payments to the mortgagee from her personal checking account. Exhibit A ¶ 17.

17. In total, Respondent diverted $666,109.86 in payoff funds from the Pinnacle Title escrow accounts and deposited those funds into accounts she managed or controlled. Exhibit A ¶ 21.

18. Respondent used $90,000 of the embezzled money to pay off land owned by her parents. Exhibit A ¶ 22; ¶ 24.

19. Respondent's other purchases with funds taken from the escrow account include a $31,000 truck, a $41,000 horse trailer, a vacation to Cancun, Mexico, monthly payments on a 10-acre parcel of land in Stevensville, and credit card debt. Exhibit A, ¶ 23.

20. After learning about the misappropriation of funds, National Land Title Insurance Company, which had an underwriting agreement with New Pinnacle Title, initiated an investigation and ultimately terminated the appointment of New Pinnacle Title as an insurance producer. Exhibit A, ¶ 7, Exhibit E – Insurance Appointment Termination Report.

21. As of May 19, 2009, the business license of New Pinnacle Title, LLC, was revoked by the Department because the two people named on the license were no longer employed by New Pinnacle Title, LLC. Exhibit F, Affidavit of Pam Daugherty, ¶ 2.

22. The Department filed a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (License Revocation and Administrative Fine) (hereafter "Action") on or about March 8, 2010.

23. Respondent was served a copy of the Action by personal service on April 4, 2010, as evidenced by the Sheriff's Return of Service. A copy of the Sheriff's Return of Service is attached hereto as Exhibit G.

24. Respondent failed to request a hearing within the 15 days provided in the Action.

25. A Request for Entry of Default was filed on June 24, 2010 and served upon Respondent.

26. Notice of Entry of Default was entered against the Respondent on June 24, 2010 and served upon Respondent.

WHEREFORE, based on the foregoing allegations of fact supported by affidavit and evidentiary exhibits, the Department asks the Commissioner of Securities and Insurance to issue a Default Judgment including the following relief:

1. Order Respondent's insurance producer's license be revoked for the following reasons:

   a) Respondent violated Mont. Code Ann. § 33-17-1001(1)(d) by misappropriating money, totaling approximately $666,109.86, on at least five different occasions for her own personal use, all of which belonged to others.

   b) Respondent violated Mont. Code Ann. § 33-25-301(1)(a) and § 33-17-1001(1)(e) by failing to disclose that she had been previously convicted of a felony.

2. Respondent is ordered to pay a $2,500 administrative fine to the State of Montana for each of her six violations for a total amount of $15,000. Mont. Code Ann. § 33-1-317.

DATED this 20 day of August, 2010.

MIKE WINSOR
Attorney for the Department of Insurance

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 20th day of August, 2010, a true and correct copy of the foregoing Motion for Default Judgment was served upon the following by U.S. mail:

Stacey M. Hebuck
5804 Jones Road
Florence, MT 59833

EXHIBIT A

Wilburn Affidavit

Michael G. Black
Black Law Office
717 North 5th Street West
Post Office Box 7007
Missoula, MT 59807-7007
Phone: (406) 728-2324
Fax: (406) 728-1314

Brooke Kuhl
K&L GATES LLP
618 West Riverside Avenue, Suite 300
Spokane WA 99201-0602
Phone: (509) 624-2100
Fax: (509) 232-2110

Attorneys for Plaintiff
National Land Title Insurance Company

MONTANA FOURTH JUDICIAL DISTRICT COURT
MISSOULA COUNTY

NATIONAL LAND TITLE INSURANCE COMPANY, an Illinois Corporation

Plaintiff,

vs.

NEW PINNACLE TITLE, LLC dba Pinnacle Title & Escrow, JENNIFER L. DURGAN, an individual, and STACEY HEBUCK, an individual

Defendants.

Dept No. 2

No. DV. 09. 280

AFFIDAVIT OF LYNN WILBURN

STATE OF MONTANA)
:ss
County of MISSOULA)

I, Lynn Wilburn, being first duly sworn upon my oath, depose and state:

1. My name is Lynn W. Wilburn and I am President of Wilburn Investigations, Inc., 1980 Post Oak Blvd., Suite 1130, Houston, Texas 77056.

2. I am over the age of 18 years and competent to testify to the matters contained herein. I have provided this affidavit based on my personal knowledge.

3. For the past 30 years Wilburn Investigations, Inc. has provided investigation and consulting services relating to real estate fraud to mortgage lenders, real estate brokers, attorneys, government agencies and title insurance underwriters and others in the real estate industry.

4. One such client is Stewart Title Guaranty Company (STGC), a national title insurance underwriter based in Houston, Texas, for whom I provide consultation on all fraud related matters. STGC has several subsidiary companies, one of which is National Land Title Insurance Company (NLTIC).

5. On Wednesday, February 11, 2009, I was contacted by Lee Ann Fenske (FENSKE), an employee of STGC concerning a title insurance agent of NLTIC, New Pinnacle Title, LLC (NEW PINNACLE), 2432 Kemp St., Missoula, MT 59801. FENSKE had received an inquiry from United States Secret Service Special Agent Tadd Downs (SA DOWNS) regarding several transactions closed by NEW PINNACLE and, particularly, by the manager there, Stacey Hebuck (S. HEBUCK). It is STGC policy that I am apprised of and/or handle all such inquires.

6. SA DOWNS indicated that there may be large sums of money going from the escrow account of NEW PINNACLE into personal bank accounts owned or controlled by S. HEBUCK. He inquired specifically about several checks coming from the escrow account of NEW PINNACLE and being deposited into accounts at First Interstate Bank (1ST INTERSTATE) but could provide no further information.

7. FENSKE advised that NEW PINNACLE has contracts with two other subsidiaries of STGC, Stewart Financial Services (SFS) and Property Information Corporation (PIC), formerly known as Landata. SFS performs monthly reconciliations of title agency

escrow accounts which are required by the agency's contract with its underwriter as well as federal, state and local laws and regulations pertaining to title agency escrow accounts. PIC provides numerous products and services for the real estate industry including a software product called AIM. AIM provides title agencies with the necessary forms and documentation to complete a real estate closing and stores and records all information and documentation related to that closing. Copies of the completed electronic documents remain in the AIM system. Both SFS and AIM are administered off site by the entities providing the services which, by contract, have remote access to the internal computer system of NEW PINNACLE.

8. SFS was contacted and provided a list of checks paid from the NEW PINNACLE escrow account to 1st INTERSTATE. FENSKE related that 1st INTERSTATE is not a significant mortgage lender in the Missoula market and that NEW PINNACLE is a small agency with a minimum number of real estate closings. Based on those factors she believed there to be an unusually large number of checks from NEW PINNACLE purporting to be payoffs to 1ST INTERSTATE.

9. My examination of the listed checks determined that most of the checks bore the notations "for credit to", "for credit to account" "for the benefit of account" and that many such notations were followed by XXXXXX704 (remaining account information withheld) or XXXXXXX529 (remaining account information withheld) which appear to be account numbers at 1ST INTERSTATE. Prior experience in examining checks intended to pay off prior lenders has shown that the check usually will have the loan number and/or the name of the borrower so that the lender can identify whose loan is being paid off. These checks had no such notation. I do not ever remember a pay off check having the lenders bank account number on it.

10. Because of all the factors described above, I became concerned that there may have been unauthorized disbursements from the NEW PINNACLE escrow account and I believed an immediate audit of NEW PINNACLE should be conducted as soon as possible.

11. At approximately 11:00 AM MST on Monday, February 23, 2009, Sandy Pfeiffer, Audit Manager for STGC, and I went to NEW PINNACLE to audit the escrow account. S. HEBUCK provided a conference room and the latest reconciliation provided her by SFS.

She was also asked to provide several files reflecting the activity in prior closings wherein checks had been made payable to 1st INTERSTATE. She provided a few of the files but claimed that two of the files from which some of the largest checks had been issued had been sent out to be scanned. When asked, she could not remember the name of the service that had taken the files for scanning.

12. S. HEBUCK was asked for copies of two specific checks that had been made payable to 1st INTERSTATE. The first one, check 3-2238 for $3,750, was dated 11-14-2008, payable to "First Interstate Bank for credit to account [redacted]", bearing on the back a handwritten endorsement "For Deposit Only" and bore the bank's stamp "Credit to the account of the within named payee". The HUD closing statement for that file indicated that a like amount was due to the borrower in that transaction. When asked to explain, S. HEBUCK stated that account XXXXXX489 (account information redacted) was the borrower's account number at 1st INTERSTATE and the check had been deposited to the borrower's account. The second check, 3-2381 for $157,443.45, was dated 1-21-2009, payable to "First Interstate Bank". According to the HUD Closing Statement in the file the prior lender to be paid off was Countrywide and the amount due

them was $157,443.45. According to the records provided by S. HEBUCK, the check to have paid Countrywide was voided and replaced by the one described above. S. HEBUCK was asked to explain the void check and the new one to 1st INTERSTATE. She said that 1ST INTERSTATE had taken over the Countrywide loan and that's why 1st INTERSTATE was paid.

13. Records of financial transactions are in the AIM system used by NEW PINNACLE and S. HEBUCK was asked to provide printouts from her computer on two files. She came back in about 15 minutes with the two print outs, both of which had been altered with "white out" to cover notations in the records, one of the "white outs" being account number XXXXXXXX704, which is an account that she later identified as her personal account at 1st INTERSTATE.

14. SA DOWNS arrived at NEW PINNACLE at approximately 2:30 PM MST to interview S. HEBUCK. Present were S. HEBUCK, SA DOWNS and myself.

15. S. HEBUCK began by saying that no one but her was responsible for the problems and that none of the employees were aware of what was going on. It all started when she was working for two people (later identified as Ed Janecek (E. JANECEK) and Clay

Christian (C. CHRISTIAN), former owners of Pinnacle Title and Escrow, LLC (PINNACLE T and E), the predecessor agency to NEW PINNACLE) that did not care about her or anyone else. They continuously wanted to put her on an "incentive plan" and regularly cut her pay. She said that she was one to take care of herself and that's when it all started in mid 2007.

16. As it progressed, E. JANECEK and C. CHRISTIAN began trying to sell PINNACLE T and E. At one time they thought they had a buyer but it did not work out. S. HEBUCK wanted to buy PINNACLE T and E and, after little success trying to find a partner, she decided to buy it herself.

17. It was at that time that she took the largest amount she had ever taken up until that time. According to S. HEBUCK, here was a pay-off to be made to PHH Mortgage Services (PHH) for approximately $239,000. Instead of paying that prior mortgage, she took the exact amount of the pay off and put it into her personal checking account XXXXXXX704 at 1st INTERSTATE. She then paid C. CHRISTIAN and E. JANECEK $200,000 down to purchase PINNACLE T and E using funds that should have gone to PHH. Thereafter until now she has been making payments of $1,860.37 per

month using electronic transfers from her account XXXXXXX704 to maintain the monthly mortgage payments relating to that transaction. She provided a copy of the pay off statement from PHH that she received via facsimile on 6-8-08. Written on the back were the dates, amounts and confirmation numbers of the electronic payments she has been making through 2-19-09.

18. S. HEBUCK purchased PINNACLE T and E in the name of her sister Jennifer Durgan (DURGAN) because she knew she could not qualify as a result of her felony conviction for Welfare Fraud in California when she was 18 years old.

19. C. CHRISTIAN and E. JANECEK knew that S. HEBUCK was the actual buyer of PINNACLE T and E and not DURGAN. S. HEBUCK claims that they did not know about her felony conviction.

20. She then discussed the files she remembered taking money from. One was a November 2008 closing and the amount she took was $81,982.78. She did not remember the detail but thinks she paid it back later from another file. File 3072 was the file where the $157,443.45 should have gone to Countrywide. S. HEBUCK said that amount was deposited into her account XXXXXXX704 at 1st INTERSTATE and she is still making payments to Countrywide. The

pay off in file 3017 was taken by S. HEBUCK, but she later made that pay off using funds from file 3060.

21. As of now, S. HEBUCK says that there are three unpaid prior mortgages on files that she closed. File 3060 for $269,543.89, file 3072 for $157,443.45 and file 2519 for $239,172.52, for a total of $666,109.86. An examination of those three files confirmed the information provided by S. HEBUCK.

22. The other account at 1ST INTERSTATE, 3160015529, is a savings account originally opened by the parents of S. HEBUCK, Michael and Della Blair. S. HEBUCK says she was added later as a signatory and that her parents have no knowledge of what she has done with the escrow account. She did, however, pay off a parcel of land owned by them with her husband, David Hebuck (D. HEBUCK). The total amount was about $90,000 consisting of a $40,000 payment from the escrow account to a bank in Seely Lake and a wire transfer of $51,168.36 to First Valley Bank for a payoff on the land. Another $9,000 was given to the Blairs so they could pay a portion on the land.

23. Other purchases with funds taken from the escrow account include a $31,000 truck, a $41,000 horse trailer, a trip to

Cancun, monthly payments (from XXXXXXX529) on another 10-acre parcel in Stevensville belonging to the Blairs and several thousand dollars in credit card debt including monthly credit card bills for NEW PINNACLE.

24. In summary, my investigation to date has revealed that S. HEBUCK diverted $666,109.86 in pay off funds from the Pinnacle escrow accounts and deposited those funds into accounts that she manages and/or controls. I believe that further investigation will reveal that additional funds were misappropriated by S. HEBUCK.

25. S. HEBUCK signed a statement which she composed and typed. The interview was concluded at approximately 5:00 PM MST. Attached is a true and correct copy of S.HEBUCK's February 23, 2009 statement.

Further your Affiant sayeth naught.

DATED this 24TH day of February 2009.

Lynn Wilburn

SIGNED AND SWORN to before me, a Notary Public for the State of Montana, this 24th day of February, 2009, by Lynn Wilburn.

Printed Name: Cheryl C. Morton
NOTARY PUBLIC, State of Montana
Residing in Florence, Montana
My Commission Expires: July 15, 2009

02/23/2009

To Whom It May Concern:

On February 23, 2009 I talked with Special Agent Downs about the business practices that that gone on at Pinnacle Title....
First was on file 2519 [redacted], I took the money that was to be used to payoff this file and deposited it into my own Bank account at First Intestate Bank. I used this money to Purchase Pinnacle Title. The Second file we discussed was 3040 [redacted] I also took the payoff money and deposited this into my account. The Third file was 3017 [redacted] I again did the same, I also used some of this money and paid off the [redacted] file. The fourth file was 3060 [redacted] with this file I paid off [redacted] also. The Last file was [redacted] I deposed the payoff funds from this file to my account.
I have been making payments on all three files that I did not payoff. I did have every intention to payoff all of them. I did not mean to cause any harm to anyone I really thought that I would take care of all of this as the business grow. I looked at it as I was borrowing money, not stealing it. I am so sorry for what has happened and words can't say how sorry I really am for what I have done. I will and do intend to pay all of this money back.

Stacey M Hebuck

EXHIBIT B

STATE OF MONTANA
DEPARTMENT OF INSURANCE
840 Helena Avenue, Helena, MT 59601
1-800-332-6148 (in state)
(406) 444-2040 - Fax (406) 444-3497
e-mail stateauditor@state.mt.us
web site - sao.state.mt.us

RECEIVED
STATE AUDITOR'S
OFFICE
HELENA, MONTANA
2009 AUG -7 P 1:46

INDIVIDUAL PRODUCER APPLICATION FOR LICENSE

(THIS FORM MAY BE DUPLICATED)

(X) RESIDENT
( ) NONRESIDENT

( ) CASUALTY

( ) LIFE
( ) DISABILITY
( ) PROPERTY
( ) LIMITED LINES CREDIT
( ) VARIABLE CONTRACTS
( ) SURETY
(X) TITLE
( ) TRAVEL
( ) TRIP
( ) PERSONAL LINES

1. Name of Applicant: Hebuck (Last) Stacey (First) Marie (Middle)

   Sex *(Circle One)* M (F)

2. Business Address: _____ (Where Insurance license will be posted) City State Zip

3. Residence Address: 5804 Jones rd (Street) Florence (City) MT (State) 59833 (Zip)

4. Date of Birth: [redacted] Social Security: [redacted]

5. Business Phone No.: 406-829-1250 Residence Phone No.: 406-273-0286

6. Detail residence, employment, etc., for the past three years to date.

From Mo/Yr	To Mo/Yr	Residence	Employer	Occupation if Self Employed
8/1/05	Current		Pinnacle Title	
6/2004	5804 Jones rd Florence MT 59833			

7. Were you ever previously licensed in this or another state? Yes (X) No ( )

   If yes, give state and years for which you were licensed: attached

8. Has any administrative action* ever been taken against you? Yes ( ) No (X)

   *You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

   If yes, give details: _____

9. Have you ever, in this or another state, been refused a license or had your license suspended or revoked?

Yes ( ) No (X)

If yes, give details: _____

10. Have you ever been convicted of a felony? Yes ( ) No (X)

If yes, attach copies of court documents: _____

11. Have you ever had an agency contract with a company canceled for a reason other than lack of production or mutual agreement? Yes ( ) No (X)

If yes, give details? _____

12. Do you intend to use your license principally for the writing of insurance on the lives or interests of yourself, your relatives, or your employer? Sections 33-17-102(7) and 33-17-201(6). Yes (✓) No (X)

13. If the application is for life and/or disability insurance, are you an officer, employee, representative, or hold any interest in a funeral business? Yes ( ) No (X)

14. Are you familiar with the laws of Montana governing the solicitation and sale of insurance? Yes (X) No ( )

15. Do you understand that you are not to solicit or sell insurance until a license has been issued to you by the Insurance Department and an appointment has been issued to you by the insurer? Yes (X) No ( )

16. What instruction in insurance have you had or do you expect to receive? Various Classes MLTA 5years experience of working in title industry

[signature]
Signature of Applicant

This applicant first being duly sworn upon his/her oath, states that the statements contained in the above and foregoing application are true to the best of his/her knowledge and belief, this 6th day of August, 2008.

[signature]
Notary Public for the state of Montana
I reside at Missoula
My commission expires 5/10/2012

Notary Seal
DYLAN STRAIT NOTARIAL SEAL STATE OF MONTANA
DYLAN STRAIT
NOTARY PUBLIC - MONTANA
Residing at Missoula, Montana
My Comm. Expires May 10, 2012

NOTE: Facsimile signature is not acceptable on this form.

The Federal Privacy Act provides that disclosure of a person's Social Security Number is voluntary. Should you elect not to disclose your Social Security Number, no right, benefit or privilege will be denied to you on the basis of such non-disclosure. If you do disclose your Social Security Number on your application, it will be used as an identification source and also could be shared with other government agencies.

EXHIBIT C

Office of the State Auditor

State of Montana

Department of Insurance

PRODUCER LICENSE - Number: 680678 NEW

LINES OF AUTHORITY:
Title

Effective Date: January 19, 2007
Renew by: November 1, 2009

STACEY M HEBUCK
135 W MAIN
MISSOULA, MT 59802

John Morrison
State Auditor and
Commissioner of Insurance

Pursuant to the laws of this State, I hereby license for the transaction of business as an Insurance Producer:

EXHIBIT D

STATE OF MONTANA
DEPARTMENT OF INSURANCE
840 Helena Avenue, Helena, MT 59601
1-800-332-6148 (In state)
(406) 444-2040 - Fax (406) 444-3497
e-mail stateauditor@state.mt.us
web site - sao.state.mt.us

RECEIVED
STATE AUDITORS
OFFICE
HELENA, MONTANA
08 AUG -7 P 1:45

BUSINESS ENTITY APPLICATION FOR LICENSE

(THIS FORM MAY BE DUPLICATED)

(X) LLC
(X) SOLE PROPRIETOR
( ) PARTNERSHIP
( ) CORPORATION

( ) CASUALTY

Id-36457329
Lic-703440

(X) RESIDENT
(X) NONRESIDENT

(X) NEW
( ) AMENDED _____ LICENSE #

( ) LIFE
( ) DISABILITY
( ) PROPERTY
( ) LIMITED LINES CREDIT
( ) VARIABLE CONTRACTS
( ) SURETY
(X) TITLE
( ) TRAVEL
( ) TRIP
( ) PERSONAL LINES

1. Name of Agency New Pinnacle Title, LLC.
(As certified by the Secretary of State of Montana)
Federal Employer ID# 26-2904083
Assumed Business Name (if applicable) dba Pinnacle Title & Escrow

3. Business Address 2432 Kemp Missoula MT 59801
(Where Ins. License will be posted) *Street* *City* *State* *Zip*

4. Mailing Address _____
(If different) *P.O. Box* *Street* *City* *State* *Zip*

5. Business Phone 406-829-1250

6. List the partners of the Partnership or officers of the Corporation and their titles. (Not Applicable to Sole Proprietors)

Jennifer L. Durgan

7. List the individuals to be named on your Montana License. (ATTACH SEPARATE APPLICATION FOR EACH INDIVIDUAL NAMED)

NOTE: For non-residents, these individuals must be shown on your state of residence license.

Cherish M. Merritt
Stacey M. Hebuck

COMMISSIONER OF INSURANCE
STATE OF MONTANA
AUG 20 2008
VALIDATED
HELENA, MT

8. Do you understand that UNLESS NAMED ON THE LICENSE, employees, salaried or commissioned, of the applicant may not solicit or transact the business of insurance for the applicant agency? Yes (X) No ( )

9. Have any of the partners, officers, or directors ever been convicted of a felony? Yes ( ) No (X)
If yes, attach copies of court documents:

10. Has applicant agency* ever, in this or another state, been refused a license or had a license suspended, revoked or had administrative action taken against it? Yes ( ) No (X)

*You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If yes, attach copies of court documents:

11. Have you ever had an agency contract with a company canceled for a reason other than lack of production or mutual agreement? Yes ( ) No (X)

If yes, give details:

12. Are you familiar with the laws of Montana governing the solicitation and sale of insurance? Yes (X) No ( )

13. Do you understand that you are not to solicit or sell insurance until a license has been issued to you by the Montana Insurance Department? Yes (X) No ( )

14. Is the transaction of insurance business one of the purposes listed in your Partnership Agreement/Articles of Incorporation? Yes (X) No ( )

15. Do you intend to use your license as a controlled business license for the writing of insurance on the lives or interests of yourself, your relatives, or those of your employees? Sections 33-17-102(7) and 33-17-201(6), MCA. Yes ( ) No (X)

Signature of Proprietor, Partner, or Officer

SUBSCRIBED AND SWORN To before me this 1st day of August, 2008.

(Notary Seal)

L. CAPPAWANA
COMM. #1695453
NOTARY PUBLIC - CALIFORNIA
PLACER COUNTY
COMM. EXPIRES OCT. 20, 2010

Notary Public for the state of California
Residing at Rocklin CA
My Commission Expires: 10-20-2010

NOTE: Facsimile Signature is not acceptable on this form

EXHIBIT E

STATE OF MONTANA
DEPARTMENT OF INSURANCE

840 Helena Avenue, Helena, MT 59601
1-800-332-6148 (in state)
(406) 444-2040 - Fax (406) 444-3497
e-mail stateauditor@mt.gov
Website - sao.mt.gov

APPROVED
STATE AUDITORS
OFFICE
HELENA, MONTANA

2009 MAR 13 A 9:27

INSURANCE APPOINTMENT TERMINATION REPORT

PART I. TERMINATION NOTICE

The following report of appointment termination is tendered pursuant to provisions of Section 33-17-231, MCA.

The authority terminated is as ☒ Insurance Producer ☐ Managing General Agent

1. PRODUCER / AGENCY NAME New Pinnacle Title, LLC.
2. PRODUCER / AGENCY LICENSE NUMBER 203440
3. SSN / FEIN 26-290483
4. PRODUCER / AGENCY COMPLETE BUSINESS ADDRESS 2432 Kemp Missoula, MT 59801
5. DATE OF TERMINATION OF APPOINTMENT 2/23/09
6. GIVE DATE YOU NOTIFIED THE PRODUCER / AGENCY OF TERMINATION 2/23/09
   Section 33-17-231(4) requires the insurer to notify the producer / agency of termination of appointment.
7. GIVE FULL STATEMENT OF FACTS SURROUNDING THE TERMINATION OF APPOINTMENT. If unlawful activity has possibly occurred, Part II on the back of this form must be completed.

COMMISSIONER OF INSURANCE
STATE OF MONTANA
MAR 13 2009
VALIDATED
HELENA, MT

CHECK ALL APPROPRIATE BOXES

- ☐ Voluntary
- ☐ Discharged
- ☒ Possible Unlawful Activity (Complete Part II on the back)
- ☐ Deceased (Attach a death certificate or obituary)
- ☐ Permitted to Resign (Attach an explanation of circumstances)
- ☐ Other (Attach a full explanation)

The Commissioner of Insurance of the state of Montana is hereby respectfully instructed and directed to terminate the appointment of the above-named producer / agency.

(Signature of Authorized Person)

Clayton Christian
(Printed Name)

Agency Services Manager
(Official Title) MT-Id-WY

National Land Title Insurance Company
(Insurance Company Name)
(As Licensed - No Abbreviations)

50156
NAIC No.

No attachments of appointments or licenses are required.

PART II: POSSIBLE UNLAWFUL ACTIVITY

NOTE: Section 33-17-237(5), MCA, provides that any information, documents, or other data provided pursuant to Montana Law is privileged and there is no liability on the part of nor may a cause of action of any nature arise against the insurance company or its authorized representatives so long as the privileged information is furnished in good faith.

1. NAME OF TERMINATED PRODUCER New Pinnacle Title, LLC
2. NAME AND ADDRESS OF CONSUMER(S) KNOWN TO BE AFFECTED THE Investigation IS Still On-Going - SEE Affidavit OF Lynn Wilburn
3. TOTAL DOLLAR VALUE OF POSSIBLE UNLAWFUL ACTIVITY Investigation is On-going - See Wilburn Affidavit
   ESTIMATED X ACTUAL _____ (check one)
4. DATE(S) OF POSSIBLE VIOLATIONS July 2008 - Present
5. 5.SECTION(S) OF MONTANA CODE ANNOTATED POSSIBLY VIOLATED (refer especially to Sections 33-17-1001 and 33-25-301) unknown
6. TYPE(S) OF INSURANCE PRODUCT INVOLVED Title Insurance.
7. IDENTITIES, ADDRESSES, AND POSITION TITLES OF ALL INSURER REPRESENTATIVES, PRODUCERS, OR OTHER EMPLOYEES WHO POSSESS FIRST HAND KNOWLEDGE OF THE POSSIBLE UNLAWFUL ACTIVITY Stacey Hebuck
8. HAS THIS MATTER BEEN REFERRED TO A COMPANY OR INDUSTRY-BASED SPECIAL INVESTIGATIONS UNIT? IF SO, PLEASE IDENTIFY THAT PERSON AND/OR ENTITY, AND ADVISE HOW TO CONTACT THEM.
   Special Agent Tadd Downs with the U.S. Secret Services Dept 406-728-2791
9. NARRATIVE (Summarize why unlawful activity is suspected or known to have occurred. Include descriptions or any actions the insurer has taken with regard to the alleged perpetrator and/or the policyholder. If letters of complaint or explanation have been received from any of the persons or entities involved, please provide copies with this report. Attach additional sheets as necessary.)

SEE Wilburn Affidavit - Attached

Pursuant to 33-17-231 and 33-17-237, MCA, you are required to furnish the information requested above. Failure to provide this information may result in the imposition of fines or other sanctions pursuant to 33-1-315(4), MCA.

EXHIBIT F

MIKE WINSOR
Office of the Commissioner of
Securities and Insurance
840 Helena Avenue
Helena, Montana 59601
(406) 444-2040

Attorney for the Department of Insurance

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF THE PROPOSED AGENCY ACTION REGARDING THE INSURANCE PRODUCER LICENSE OF STACEY M. HEBUCK, LICENSE # 680678.	**CASE NO. INS-2009-1616** AFFIDAVIT OF PAM DAUGHERTY

STATE OF MONTANA)
: ss.
County of Lewis and Clark)

PAM DAUGHERTY, being first duly sworn, deposes and says:

1. I am Pam Daugherty, the Lead Licensing Technician for the Office of the Commissioner of Securities and Insurance, Montana State Auditor.

2. On May 19, 2009, the business license of New Pinnacle Title, LLC, was revoked by the Department of Insurance because the two people named on the license were no longer employed by New Pinnacle Title, LLC.

Pam A. Daugherty

Pam Daugherty
Lead Licensing Technician
Office of the Commissioner of Securities
and Insurance

SUBSCRIBED AND SWORN to before me this 9th day of August, 2010,

by Pam Daugherty.

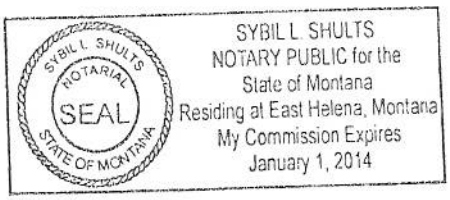

EXHIBIT G

Ravalli County Sheriff's Office
205 Bedford St., Suite G
Hamilton, MT 59840

Chris Hoffman, Sheriff
Perry Johnson, Undersheriff
406-375-4060

SHERIFF'S RETURN OF SERVICE

RE: *IN THE MATTER OF THE PROPOSED AGENCEY ACTION REGARDING THE INSURANCE PRODUCER LICENSE OF STACEY M. HEBUCK, LICENSE # 680678* CASE NUMBER: *INS-2009-161*

I HEREBY CERTIFY that: I received the attached NOTICE OF PROPOSED AGENCY ACTION AND OPPORTUNITY FOR HEARING on the 1 day of Apr 1, 2010, and personally served the same on the 4 day of Apr 1, 2010, at 1450 P. M., by delivering a true and correct copy of said document(s) to: STACEY M. HEBUCK, at the location of:

5804 JONES RD., and informing them of the contents thereof.

Title DEPUTY MARBLE 13-63

.....

IF NO SERVICE:

I HEREBY CERTIFY that: I attempted to serve the attached documents on the _____ day of _____, _____, and that after due and diligent search and inquiry of diverse persons in sundry places, I am unable to locate STACEY M. HEBUCK, in Ravalli County, State of Montana, for the following reasons:

_____

_____

_____

I therefore return said documents without service.

_____

Title_____

Case Number: 10043001