

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



In the Matter of:

**Allied Title & Escrow, LLC and Agent
JVs**

**ASSURANCE OF VOLUNTARY
COMPLIANCE**

ASSURANCE OF VOLUNTARY COMPLIANCE

This Assurance of Voluntary Compliance (“Assurance”) is entered into by the Attorney General for the District of Columbia (“Attorney General” or “OAG” or “District”), on the one hand, and Allied Title & Escrow, LLC (“Allied”), Thomas Latane Meade (Guarantor), Matthew Paulson (Guarantor), (collectively “Guarantors”), Allied Title, LLC (“AT JV”), Allied Title Services, LLC (“AT Services”), Allied Title Agency, LLC (“AT Agency”), Allied Title Closings, LLC (“AT Closings”), Allied Title Metro, LLC (“AT Metro”), Allied Title Network, LLC (“AT Network”), Allied Title Organization (“AT Organization”), and Allied Title & Settlements, LLC (“AT Settlements”) (collectively, “Respondents”), on the other hand (collectively with the Attorney General, the “Parties”). The Parties agree as follows:

I. THE PARTIES

1. OAG is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District of Columbia’s consumer protection laws, including the Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.*

2. Allied is a limited liability company that was organized under the laws of Virginia on August 24, 2016, and has been registered to do business in the District since January 10, 2017. Allied provides title insurance, escrow, and other closing related services to consumers, including consumers in the District of Columbia.

3. Thomas Latane Meade is a principal owner of Allied and is its Chief Executive Officer.

4. Matthew Paulson is also a principal owner of Allied and is its President.

5. Allied is the majority owner of certain affiliate title agencies that provide title insurance for consumers in the District of Columbia, including eight such agencies that are joint ventures with real estate agents.

6. AT JV is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

7. AT Services is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

8. AT Agency is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

9. AT Closings is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

10. AT Metro is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

11. AT Network is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

12. AT Organization is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

13. AT Settlements is a limited liability company formed by Allied to provide title insurance and other real estate closing related services, including providing such services to consumers in the District of Columbia.

II. DEFINITIONS

14. “Agent JVs” shall refer collectively to AT JV, AT Services, AT Agency, AT Closings, AT Metro, AT Network, AT Organization, and AT Settlements. An “Agent JV” refers to any one of the Agent JVs.

15. “Agent Members” shall refer to real estate agents who have or have had an ownership interest in an Agent JV, whether individually or through a business entity such as an LLC or other business organization.

16. “Consumer” shall include the definition contained in D.C. Code § 28-3901(a)(2) and, for purposes of this Assurance, shall refer to any individual who purchased title insurance and/or settlement services from Allied and/or an Agent JV in the District of Columbia

17. “Guarantors” refers collectively to Thomas Latane Meade and Matthew Paulson.

III. DISTRICT’S ALLEGATIONS

18. OAG alleges that Allied created Agent JVs with Agent Members with the explicit purpose of Agent Members referring title insurance and escrow business to Allied and/or an Agent JV and for Agent Members to receive a share of the profits from business they referred.

19. All Agent JVs are structured similarly, with Allied owning a majority interest in each Agent JV and Agent Members owning the remaining interest. OAG alleges that the ownership interest of the Agent Members was based on those agents’ past real estate sales volumes, which OAG alleges correlates with potential future referrals. Each Agent JV was initially capitalized with \$40,000, with each Agent Member contributing initial capital in proportion to their ownership interest.

20. OAG alleges that Agent JVs were created with the explicit purpose of Agent Members referring title insurance and escrow business to their respective Agent JV in exchange for financial benefits as a result of those referrals. OAG alleges that Allied and Agent JVs provided this investment opportunity exclusively to real estate agents, recognizing that the return on that investment—*i.e.*, profit distributions—would incentivize those agents to refer business through the Agent JV.

21. District law provides that “[a] title insurer or other person shall not give or receive, directly or indirectly, any consideration for the referral of title insurance business or escrow or other service provided by a title insurer.” D.C. Code § 31-5031.15.

22. OAG alleges that Allied, Agent JVs, and Agent Members are “other person[s]” under D.C. Code § 31-5031.15.

23. OAG alleges that Allied, Agent JVs, and Agent Members violated District law by providing consideration to Agent Members for the referral of title insurance and escrow business to Allied and the Agent JVs. OAG alleges that Allied and Agent JVs have given, and Agent Members have accepted, multiple forms of direct and indirect consideration in exchange for referrals—including but not limited to providing Agent Members the exclusive opportunity to purchase a discounted ownership interest in Agent JVs, distributing profits from Agent JVs to Agents Members, and organizing and hosting multiple yacht parties, all in violation of D.C. Code § 31-5031.15.

24. OAG alleges that each transaction conducted through Agent JVs in the District of Columbia that resulted from the referral of a consumer's title insurance and escrow business in exchange for consideration is a separate violation of D.C. Code § 31-5031.15.

25. These alleged violations of D.C. Code § 31-5031.15 also constitute alleged violations of the D.C. Consumer Protection Procedures Act (the "CPPA"), D.C. Code § 28-3904, which prohibits any person from engaging in an unfair or deceptive trade practice. Specifically, OAG alleges that Allied and its Agent JVs, who provide title insurance, escrow, and other closing related services to homebuyers in the District, are engaging in unlawful trade practices under the CPPA by providing consideration to Agent Members in exchange for Agent Members referring title insurance business, in violation of D.C. Code § 31-5031.15.

26. Respondents and Guarantors deny all of the District's allegations and claims, including that they hosted "yacht parties" that violated D.C. Code § 31-5031.15 and/or that they violated any consumer protection laws, including the CPPA or D.C. Code § 31-5031.15. Nothing contained in this Assurance is or may be construed to be an admission by Respondents

or Guarantors or the releasees in this Assurance of any violation of law or regulation, of any other matter of fact or law, or of any liability or wrongdoing.

IV. APPLICATION

27. The Parties have agreed to the terms of this Assurance in order to fully resolve the District's allegations against Respondents and Agent Members.

28. The Parties have agreed that payment to the District under this Assurance shall be personally guaranteed by Thomas Latane Meade and Matthew Paulson, who shall be signatories to this Assurance.

29. The duties, responsibilities, burdens, and obligations undertaken in connection with this Assurance shall apply to Respondents, their affiliates, subsidiaries, successors and assigns, and officers and employees. Guarantors have the duties, responsibilities, burdens, and obligations of ensuring the payments to OAG as required by this Assurance.

30. The terms of this Assurance shall apply to the conduct of Respondents and Agent Members in connection with Respondents' operations in the District of Columbia.

31. By entering into this Assurance, the Parties are neither extinguishing any rights otherwise available to consumers nor creating any rights not otherwise available under the laws of the District of Columbia.

V. INJUNCTIVE PROVISIONS

32. Allied and Agent JVs shall not engage in any unfair, deceptive, or unlawful trade practice prohibited by the District's CPPA, D.C. Code §§ 28-3901, *et seq.*, related to their provision of title insurance and settlement services to Consumers in the District of Columbia.

33. Allied and Agent JVs shall not give or receive, directly or indirectly, any consideration for the referral of title insurance or escrow business or other service provided by a title insurer in the District of Columbia. In particular, Allied and Agent JVs shall not form or maintain ownership interests in any entity that offers title insurance or settlement services in the District of Columbia in which real estate agents have an ownership interest and refer business to the entity.

34. Within thirty (30) days of the date of the execution of this Assurance, Agent JVs shall cease conducting any title insurance or escrow transactions in the District of Columbia.

35. Within sixty (60) days of the date of the execution of this Assurance, Allied Title, LLC, Allied Title Agency, LLC, Allied Title Closings, LLC, and Allied Title Network, LLC shall with reasonable promptness and consistent with their respective operating agreements, take such actions as are necessary to wind down and legally dissolve Allied Title, LLC, Allied Title Agency, LLC, Allied Title Closings, LLC, and Allied Title Network, LLC and those entities shall cease doing business in all jurisdictions.

VI. COSTS AND PAYMENT TO THE DISTRICT

36. Respondents shall pay an aggregate total of one million nine hundred thousand dollars (\$1,900,000) to resolve the District's claims in this matter. Respondents shall make that payment as follows:

- Respondents shall pay seven hundred and fifty thousand dollars and one cent (\$750,000.01) within fourteen (14) days of the date of the execution of this Assurance by all Parties.

- Respondents shall also pay three installments of three hundred and eighty-three thousand and three hundred and thirty-three dollars (\$383,333.33). The first installment shall be paid one (1) year after the date of execution of this Assurance by all Parties. Subsequent installments of \$383,333.33 shall be paid one (1) year after the prior installment's payment date.
- Each payment date will have a cure period of three (3) business days.
- If a payment is made earlier than the date required, Respondents shall notify OAG in writing that the payment has been made and on what date it was made.

37. Payments under this Assurance shall be made by wire transfer delivered to OAG consistent with instructions from OAG. The District may use any portion of the funds that it receives for any lawful purposes, including, but not limited to, restitution, attorneys' fees, and other costs of investigation and litigation; placement of this payment in the District's restitution fund or litigation support fund; or for other uses permitted by District law, at the sole discretion of the Attorney General for the District of Columbia. Respondents agree to cooperate with the District in obtaining any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.

38. A default in Respondents' payment obligations under this Assurance that is not cured within three (3) business days of when the payment is due will constitute a material violation of this Assurance. If Respondents fail to make any of the payments due under this Assurance within three days of the date due, all remaining payments owed under this Assurance shall immediately come due.

39. Upon execution of this Assurance, Allied and Agent JVs shall provide the District with their Taxpayer Identification Numbers (TIN).

40. In agreeing to the payment amount and terms as set forth herein, the District has relied upon Allied's and Agent JVs' representations and sworn financial disclosures. The Parties agree that if those representations are proven untrue, or the sworn financial disclosures are proven inaccurate, it shall constitute a violation of this Assurance and all payments by Respondents due under this Assurance shall be due immediately.

41. In agreeing to the payment amount as set forth herein, the District has relied upon Allied's and Agent JVs' representations at the time of this Assurance that no Agent JV has conducted title insurance or settlement services in the District of Columbia since early October 2023. The Parties agree that if these representations are proven untrue, it shall constitute a violation of this Assurance and the District may seek an additional monetary payment from Respondents.

VI. INDIVIDUAL GUARANTEES

42. Guarantors Thomas Latane Meade and Matthew Paulson, jointly and severally, unconditionally guarantee the prompt payment of all financial obligations of Respondents to the District as set forth in this Assurance (the "Guaranteed Obligations"). This guaranty shall not be affected by any event, occurrence, or circumstance that might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety, other than full and complete payment of the Guaranteed Obligations. In the event that any payment by Respondents or portion thereof is rescinded or must otherwise be returned by virtue of any action by any bankruptcy court resulting in a final order to avoid such payment or portion thereof, Guarantors shall remain liable

hereunder with respect to such Guaranteed Obligations as if such payment or portion thereof (as applicable) had not been made but taking into account any claim to which the District is entitled under the U.S. Bankruptcy Code (including Section 502(h)), if any, as a result of such action relating to such avoided payment or portion thereof. Guarantors agree that OAG may resort to Guarantors for payment of the Guaranteed Obligations if Respondents fail to pay the full amount of any Guaranteed Obligations in accordance with the terms of this Assurance, without regard to whether OAG could or should have proceeded against any other person or entity primarily or secondarily obligated with respect to any of the Guaranteed Obligations.

43. In the event Respondents fail to make any payment or portion of any payment as required under this Assurance, Respondents shall be in default of Respondents' payment obligations under this Assurance and OAG may provide written notice of such default to Respondents and Guarantors. Guarantors shall have sixty (60) days after such notice to cure the default by making full payment of all Guaranteed Obligations due under this Assurance. Notice so given shall be effective upon (a) receipt, or (b) ten (10) calendar days after the notice was sent, whichever occurs first.

44. In the event Respondents or Guarantors fail to cure any default within sixty (60) days of notice of default, Guarantors shall also be in default of their guaranty under this Assurance, and Guarantors understand that such a default is a material breach of this Assurance. Should Guarantors default, OAG may, at its sole discretion, file an action against Guarantors for all remaining payments due under this Assurance.

45. No failure on the part of OAG to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by OAG of any right or remedy preclude any other or future exercise of any right or remedy.

46. Guarantors' obligations under this agreement shall continue in full force and effect until payment in full of the Guaranteed Obligations.

47. Guarantors consent to the jurisdiction of the D.C. Superior Court in any action to enforce any term of this guaranty.

VIII. RELEASE

48. As of the date this Assurance is executed by the OAG, the Attorney General terminates its investigation into Respondents' and Agent Members' conduct arising out of, resulting from, and/or relating to the factual allegations set forth in Part III, *supra*, and releases and discharges, to the fullest extent permitted by law, Respondents and their members, including Agent Members, and each of their directors, officers, partners, members, employees, agents, successors, and assigns, from any and all civil causes of action, claims, damages, costs, attorneys' fees, or penalties the Attorney General has asserted or could have asserted under the CPPA, D.C. Code § 31-5031.15, and 12 U.S.C. § 2607. All individuals and entities released pursuant to this Assurance shall be entitled to assert the rights of a releasee hereunder.

IX. ADDITIONAL TERMS

49. Any breach of the injunctive terms contained in this Assurance shall be considered an unlawful trade practice that violates the CPPA and the OAG shall have the right to move to enforce any material breach of this Assurance.

50. Any notice to a Party to be provided pursuant to this Assurance shall be sent by

U.S. Mail and email to the following:

For the District:

Kevin Vermillion
Deputy Director, Office of Consumer Protection
Office of the Attorney General for the District of Columbia
400 6th Street, NW, 10th Floor
Washington, D.C. 20001
kevin.vermillion@dc.gov

For the Respondents:

David L. Feinberg
Venable LLP
600 Massachusetts Ave
Washington, DC 20001
DLF@Venable.com

For the Guarantors:

David L. Feinberg
Venable LLP
600 Massachusetts Ave
Washington, DC 20001
DLF@Venable.com

51. In the event Guarantors' personal contact information changes, Guarantors agree to provide any updated contact information to OAG within ten (10) days of the change. Personal contact information shall include mailing address, email address, and phone number. This requirement shall remain in place until all payments due under this Assurance have been made in full.

52. Respondents shall not cause or encourage any third-parties, or knowingly permit third-parties acting on their behalf, to engage in any practices from which Respondents are prohibited by this Assurance.

53. Respondents shall not participate, directly or indirectly, in any activity, or form any corporate entity or corporation for the purpose of circumventing any part of this Assurance or the spirit or purpose of this Assurance.

54. The failure of the District to insist upon strict adherence to any term of this Assurance on any occasion shall not be considered a waiver thereof or deprive the District of the right thereafter to insist upon strict adherence to that term or any other term of this Assurance.

55. Nothing contained herein shall be construed as relieving Respondents of the obligation to comply with all District laws, regulations, or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

56. The Parties understand and agree that this Assurance will not be construed as an approval or sanction by the Attorney General of Respondents' business practices, nor will Respondents represent that this Agreement constitutes an approval or sanction of its business practices.

57. This Assurance shall be considered effective and fully executed on the last date which any party executes the Assurance. This Assurance may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

**DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**

**BRIAN L. SCHWALB
ATTORNEY GENERAL**

By:  Date: 8/8/2024

KEVIN VERMILLION
Deputy Director, Office of Consumer Protection
Office of the Attorney General for the District of Columbia
400 6th Street, NW, 10th Floor
Washington, D.C. 20001
kevin.vermillion@dc.gov

Consented and agreed to by:

Allied Title & Escrow, LLC

By:  Date: 8/5/2024

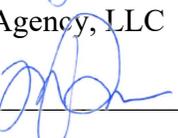
Allied Title, LLC

By:  Date: 8/5/2024

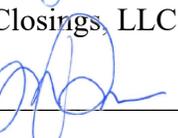
Allied Title Services, LLC

By:  Date: 8/5/2024

Allied Title Agency, LLC

By:  Date: 8/5/2024

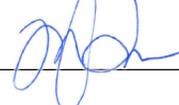
Allied Title Closings, LLC

By:  Date: 8/5/2024

Allied Title Metro, LLC

By:  Date: 8/5/2024

Allied Title Network, LLC

By:  Date: 8/5/2024

Allied Title Organization, LLC

By:  Date: 8/5/2024

Allied Title Settlements, LLC

By:  Date: 8/5/2024

Guarantors

By:  Date: 8/5/2024
Thomas Latane Meade (Guarantor)

By:  Date: 8/5/2024
Matthew Paulson (Guarantor)