

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



In the Matter of:

Union Settlements, LLC

RB JV, LLC

**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”), Union Settlements, LLC (“Union” or the “Company”), and RB JV, LLC (“RB JV”), (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. Union is a Delaware limited liability company formed in June 2020 that provides title insurance and settlement services for Consumers in the District of Columbia. Union was founded by Renaissance Realty LLC, Monarch Title LLC, Jennifer Smira, and Ari Firoozabadi. Monarch Title LLC transferred its ownership interest to HES, LLC on January 1, 2021.

II. DEFINITIONS

3. “Agent Members” shall refer to Jennifer Smira, Robert Sanders, and Brent Jackson.

4. “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 Union and RB JV in the District of Columbia.

III. DISTRICT’S ALLEGATIONS

5. OAG alleges that Union was created with the explicit purpose of Ms. Smira referring title insurance business to it and for Ms. Smira to receive a share of the profits as a result of those referrals. OAG alleges that Union provided Ms. Smira an ownership interest in the Company, recognizing that the return on that investment—*i.e.*, profit distributions—would incentivize Ms. Smira to refer title insurance business to Union.

6. OAG alleges that Union also created a joint venture—RB JV—for the explicit purpose of real estate agents Rob Sanders and Brent Jackson referring title insurance business to it and for them to receive a share of the profits resulting from those referrals. OAG alleges that Union provided Mr. Sanders and Mr. Jackson an ownership interest in RB JV, recognizing that the return on that investment—*i.e.*, profit distributions—would incentivize them to refer title insurance business to Union.

7. Ms. Smira made a capital contribution to the Company on February 2, 2021 consisting of office renovation expenses purportedly totaling \$9,263.70. Ms. Smira’s capital contribution consisted of 18.6% of the Company’s initial capital; however, she received a 24.75% ownership interest in the Company.

8. Mr. Sanders and Mr. Jackson received a 45% ownership interest in RB JV. OAG alleges that Mr. Sanders and Mr. Jackson made no capital contributions to RB JV in exchange for that ownership interest. Rather, Mr. Sanders and Mr. Jackson had \$18,658.38 allocated to them as a capital contribution that consisted of Mr. Sander's and Mr. Jackson's share of revenue from title insurance transactions that they had previously referred to Union. Those transactions were referred to Union because RB JV was delayed in receiving its title insurance license.

9. 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.

10. OAG alleges that Union, RB JV, and the Agent Members violated District law as Union and RB JV provided consideration to the Agent Members for the referral of title insurance business. Union and RB JV have given, and the Agent Members have accepted, as applicable, consideration in exchange for these referrals—including (1) allocating Ms. Smira an ownership interest in the Company for what OAG alleges was a discounted investment opportunity; (2) allocating Ms. Smira an ownership interest in excess of her share of initial capital contributions; (3) allocating Mr. Sanders and Mr. Jackson an ownership interest in RB JV without initial cash capital; and (5) distributing shares of profits to each of the real estate agents.

11. OAG alleges that as of September 2022, Union had distributed \$243,112.00 to Ms. Smira, and as of April 2023, RB JV had distributed \$25,650.00 to Mr. Sanders and Mr. Jackson.

12. OAG alleges that during the relevant time period, Union and RB JV performed at least 133 title insurance transactions in the District of Columbia in which the Agent Members, or

an agent on their respective teams, referred title insurance business to Union or RB JV in exchange for consideration, in violation of D.C. Code § 31-5031.15.

13. These alleged violations of D.C. Code § 31-5031.15 also constitute 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 Union, which provides title insurance and settlement services, and RB JV, which provided title insurance, to homebuyers in the District, engaged in unlawful trade practices under the CPPA by providing consideration to the Agent Members in exchange for the Agent Members referring title insurance business, in violation of D.C. Code § 31-5031.15.

14. Union and RB JV deny all of the District’s allegations and claims, including that it has 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 Union, RB JV, 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

15. The Parties have agreed to the terms of this Assurance in order to fully resolve the District’s allegations against Union, RB JV, and the Agent Members.

16. The duties, responsibilities, burdens, and obligations undertaken in connection with this Assurance shall apply to Union, RB JV and the Agent Members, and their affiliates, subsidiaries, successors and assigns, officers, and employees.

17. The terms of this Assurance shall apply to the conduct of Union, RB JV and Agent Members in connection with their operations in the District of Columbia.

18. 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

19. Union 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 its provision of title insurance and settlement services to Consumers in the District of Columbia.

20. Union 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 in the District of Columbia. Union shall not form or maintain ownership 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 Company.

21. Within sixty (60) days of the date of the execution of this Assurance, Union shall divest the Agent Members from their ownership interest in Union and RB JV, and the Agent Members shall not receive any other consideration in connection with their withdrawal. Additionally, within sixty (60) days, RB JV shall, with reasonable promptness and consistent with its operating agreement, take such actions as are necessary to wind down and legally dissolve RB JV.

VI. COSTS AND PAYMENT TO THE DISTRICT

22. Union shall pay an aggregate total of three hundred and twenty-five thousand dollars (\$325,000) to resolve the District's claims in this matter. Union shall make that payment as follows:

- a. Payment shall be made in twelve (12) payments over a period of twelve (12) months.
- b. On or before April 30, 2024, Union shall make the first payment of twenty-seven thousand eighty-seven dollars (\$27,087).
- c. Thereafter, on or before the final day of each proceeding month, Union shall make a payment of twenty-seven thousand eighty-three dollars (\$27,083) for the following eleven (11) months.
- d. If Union makes a payment on a day other than the last day of the month, Union shall provide email notice to OAG of when the payment is being made.

23. Payment under this Part VI shall be made either by wire transfer or certified check made out to the D.C. Treasurer and 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; 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. Union agrees 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.

24. Upon execution of this Assurance, Union shall provide the District with its Taxpayer Identification Number (TIN).

25. A default in Union's payment obligations under this Assurance that is not cured within three (3) business days of when the payment is due will constitute a violation of this Assurance. If Union fails to make any of the payments due under this Assurance within three

business days of the date due, all remaining payments owed under this Assurance shall immediately come due.

VII. RELEASE

26. By execution of this Assurance, and following a full and complete payment to the Attorney General of the amount required herein, the Attorney General terminates its investigation into Union, RB JV and the 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, Union, RB JV and the 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 as of the date this Assurance is executed by all Parties. All individuals and entities released pursuant to this Assurance shall be entitled to assert the rights of a releasee hereunder.

VIII. ADDITIONAL TERMS

27. Any breach of the injunctive terms contained in this Assurance shall be considered an unlawful trade practice that violates the CPPA.

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

29. Union 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.

30. 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.

31. Nothing contained herein shall be construed as relieving Union 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.

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

33. 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.

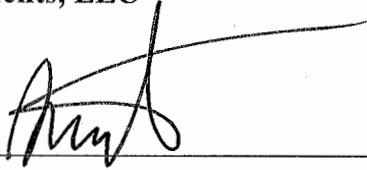
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Consented and agreed to by:

Union Settlements, LLC

RB JV, LLC

By: _____



Date: _____

4/11/2024

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

**BRIAN L. SCHWALB
ATTORNEY GENERAL**

By: _____



Date: _____

4/12/24

KEVIN VERMILLION

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