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# District Attorneys Announce \$873K Settlement with National Title Company

## *Brokers Getting Secret Payments through Real Estate Software*

San Diego County District Attorney [Bonnie Dumanis](#) announced today that Jacksonville, Florida-based title insurance company Fidelity National Financial, Inc. has entered into a settlement in the amount of \$873,588 with California district attorneys in an unfair competition lawsuit regarding Fidelity National's "Transaction Point" real estate software system. The San Diego District Attorney's Office will receive a total of \$302,862 from the settlement. San Diego County was co-counsel with the District Attorneys of Ventura and Los Angeles Counties in this civil consumer protection judgment, filed in Ventura Superior Court and entered last week by Superior Court Judge Frederick Bysshe.

In the civil complaint filed under California's Unfair Competition Law, the district attorneys allege that Fidelity National operated a software platform, called Transaction Point, for real estate brokers and other settlement service providers in California which system facilitated unlawful secret payments to the brokers for the referral of business to title insurers and other service providers.

**"Consumers deserve the benefits of competition when they buy homes and choose service providers and these secret payments in exchange for referrals violated expectation," DA Dumanis said. "We bring enforcement actions like this to ensure that free and fair competition – and not an undisclosed referral payment – determines who provides each real estate settlement service."**

Fidelity National developed the Transaction Point software and its Web-based referral system in 2002 to assist brokers in preparing transaction documents and ordering related real estate settlement services, such as escrow, title insurance, and natural-hazard disclosure services. However, the district attorneys allege that Transaction Point also was used by the brokers to charge and collect unlawful fees of \$25 or more from providers of those services, including from service-providers affiliated with Fidelity National, which made these payments on their behalf. Fidelity National ceased operating the Transaction Point system in late 2009 when the system was questioned by authorities.

Under the terms of the stipulated final judgment, which was entered without admission of liability, Fidelity National Financial, Inc. is prohibited from paying any real estate broker that places an order with Fidelity National for title insurance or other goods or services using Transaction Point or any substantially similar computerized order placement platform, or paying a fee to any real estate broker for the use of any substantially similar computerized system.

Fidelity National also agreed to pay a total of \$873,588, consisting of \$123,588 in investigative and prosecution costs and \$750,000 in civil penalties pursuant to the Unfair Competition Law to be divided among the three counties that prosecuted the matter.

The San Diego District Attorney's Office will receive a total of \$302,862, including \$250,000 paid as civil penalties, \$32,862 paid as investigative and prosecution costs, and \$20,000 paid as consultant costs.

The prosecutors noted that Fidelity National cooperated fully in the investigation and in the negotiations leading to this settlement.

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