

REPORT ON ORGANIZATION

OF THE

AMERISTRAC TIT L INSURANCE COMPANY, INC.

AS OF

MARCH 21, 2013

DATE OF REPORT

MARCH 21, 2013

EXAMINER

VERONICA DUNCAN BLACK

## TABLE OF CONTENTS

<u>ITEM NO.</u>		<u>PAGE NO.</u>
1	Scope of examination	2
2.	Incorporation	2
3.	Capitalization and subscription	3
4.	Balance sheet	4
5.	Authorization powers and minimum capital required	5
6.	Holding company system	6
7.	Conclusion	8
8.	Summary of comments and recommendations	8
	Exhibit 1 – Affidavit	
	Exhibit 2 – Affidavit	



NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

Andrew Cuomo  
Governor

Benjamin M. Lawsky  
Superintendent

March 21, 2013

Honorable Benjamin Lawsky  
Superintendent of Financial Services  
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 30958 dated February 12, 2013 attached hereto, I have made an examination on organization of Ameristract Title Insurance Company, Inc. as of March 21, 2013, and submit the following report thereon.

Wherever the designation “the Company” appears herein without qualification, it should be understood to indicate Ameristract Title Insurance Company, Inc.

Wherever the term “Department” appears herein without qualification, it should be understood to mean the New York Department of Financial Services.

The examination was conducted at the office of the Company’s attorney located at 1425 RXR Plaza, Uniondale, New York 11556.

## 1. SCOPE OF EXAMINATION

The examination comprised a complete verification of the issuance of the Company's capital stock, the receipt of capital and surplus funds, and the determination of the Company's assets and liabilities. The records examined were the Declaration of Intention and Charter, the By-Laws, the Certificate of Incorporation, the corporate minutes, the stock register and the inter-company and custodial agreements entered into by the Company as of the examination date. In addition, an affidavit, appended hereto, was obtained from two officers of the Company indicating that the transactions noted in this report were lawful and bona fide.

## 2. INCORPORATION

Ameristract Title Insurance Company, Inc. was incorporated under the laws of the State of New York on November 21, 2011. The Department approved the Company's Declaration of Intention and Charter on the same date. The Company's office is intended to be located at 42 Middle Neck Road, Great Neck, New York 11021.

As of the examination date, the Company's board of directors was comprised of the following seven members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Radni Davoodi East Hills, NY	Owner, President and Treasurer, Ameristract Title Insurance Company
Raymond Davoodi Roslyn Heights, NY	Owner, Vice President and Secretary, Ameristract Title Insurance Company
Matin Emouna, Esq. Old Westbury, NY	Owner and President, Emouna & Mikhail PC
Benjamin Weinstock, Esq. Cedarhurst, NY	Partner, Ruskin Moscou Faltischek, PC
Harry Ross Dreizen, Esq. New York, NY	Owner, Law Firm of Harry R. Dreizen
Lawrence Steckman, Esq. North Massapequa, NY	Partner, Lester Schwab Katz & Dwyer

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Chava Eve Klein, Esq. Lawrence, New York	Partner, Ruskin Moscou Faltischek, PC

As of March 21, 2013, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Radni Davoodi	President and Treasurer
Raymond Davoodi	Vice President and Secretary

### 3. CAPITALIZATION AND SUBSCRIPTION

Ameristact Title Insurance Company is a stock company wholly-owned by Radni Davoodi and Raymond Davoodi, each of whom owns 50% of the Company's capital stock.

The Company's authorized capital of \$500,000 consists of 50,000 shares of \$10 par value per share common stock. On January 17, 2013, the Company issued all of its authorized and outstanding shares to Radni Davoodi and Raymond Davoodi, with each receiving 25,000 shares, respectively for a total consideration of \$850,000, of which \$500,000 represents the common capital stock and \$350,000 represents gross paid in and contributed surplus. Radni and Raymond Davoodi provided a signed and notarized affidavit attesting to the Company's capital and surplus position as of March 21, 2013. This affidavit is attached as Exhibit 1 herein.

Pursuant to Article 64 and 41 of the New York Insurance Law, a title insurance company is not required to maintain a statutory deposit.

**4. BALANCE SHEET**

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination as of March 21, 2013, and as reported by the Company:

Assets

Cash and short-term investments	<u>\$849,755</u>
Total admitted assets	<u>\$849,755</u>

Liabilities

Total liabilities	\$0
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Capital and Surplus

Common capital stock	\$500,000	
Gross paid in and contributed surplus	350,000	
Unassigned funds (surplus)	<u>(245)</u>	
Total surplus as regards policyholders		<u>849,755</u>
Total liabilities and surplus as regards policyholders		<u>\$849,755</u>

5. **AUTHORIZATION POWERS AND MINIMUM CAPITAL REQUIRED**

Pursuant to its Declaration of Intention and Charter, the Company is authorized to transact the kind of insurance as defined in the following numbered paragraph of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
18	Title

The Company's license will include only the power to write paragraph 18 pursuant to Section 1113 of the New York Insurance Law. Pursuant to the provisions of Articles 13 and 64 of the New York Insurance Law, in order to be licensed to transact the foregoing kind of insurance, the Company shall have an initial surplus to policyholders in the amount of \$750,000, which includes \$500,000 of capital. The Company shall thereafter maintain a surplus to policyholders in the amount of \$500,000.

Further, pursuant to the provisions of Section 6402 of the New York Insurance Law, in order for the superintendent to issue a license to the Company, the Company's minimum surplus must be invested in either cash or investments qualifying as minimum capital or surplus investment pursuant to Section 1402 of the New York Insurance Law, which shall consist of:

- (1) Obligations of the United States or of any agency thereof provided such agency obligations are guaranteed as to principal and interest by the United States.
- (2) Direct obligations of this state or of any county, district or municipality thereof.
- (3) Direct obligations of any state of the United States.
- (4) Obligations secured by first mortgage loans which meet the standards specified in paragraph four of subsection (a) of section one thousand four hundred four of this article on property located in this state.

The Company has met these requirements.

**6. HOLDING COMPANY SYSTEM**

Ameristract Title Insurance Company, Inc is owned by two shareholders, Radni Davoodi and Raymond Davoodi, each of whom own a 50% share of the Company. Radni and Raymond Davoodi also have other private holdings and/or interest in other companies. These holdings are depicted in the holding company system chart.

The following is a chart of the holding company system as of March 21, 2013:



The Company provided a draft sublease agreement with a member of its holding company system. The Company provided this Department with a signed affidavit dated January 28, 2013, asserting certain provisions and/or conditions regarding the draft sublease agreement. This affidavit is attached as Exhibit 2 herein.

#### Summary of Proposed Sublease Agreement

This is a sublease agreement between the Company and its affiliate, Atlantis Holding Group, LLC (“Atlantis”), whereby Atlantis proposes to sublease a portion of its leased premises to the Company located at 42 Middle Neck Road, Great Neck, New York 11021. The agreement states that the Company desires to occupy approximately 500 square feet of leased space for an amount equal to, on a per square foot basis, the rent being paid by Atlantis to Atlantis’ landlord (the “Landlord”), under that certain lease dated as of April 15, 2010 by and between 42 Middle Neck Rd. LLC and Atlantis. The rent paid by the Company shall not exceed the rent paid by Atlantis to the Landlord on a per square foot basis. The agreement also grants the Company the license to share certain office and sundry equipment and a conference room at no additional cost.

### 7. CONCLUSION

Based on the foregoing examination, it is concluded that the Company sold 50,000 shares of common stock with a par value of \$10 per share. These shares represented the total authorized and issued stock, for which the Company received a consideration of \$850,000 of which \$500,000 represents capital paid in and \$350,000 represents gross paid in and contributed surplus.

### 8. SUMMARY OF COMMENTS AND RECOMMENDATIONS

#### ITEM

There are no recommendations in this report on organization.

#### PAGE NO.



Respectfully submitted,



Veronica Duncan Black  
Senior Insurance Examiner

STATE OF NEW YORK     )  
  )SS:  
COUNTY OF SUFFOLK    )

Veronica Duncan Black, being duly sworn, deposes and says that the foregoing report, subscribed to by her, is true to the best of her knowledge and belief.



Veronica Duncan Black

Subscribed and sworn to before me

this 11<sup>th</sup> day of April, 2013.



DAVID CRAMER  
Notary Public, State of New York  
No. 01CR6120775  
Qualified in Suffolk County  
Commission Expires December 27, 2016

APPOINTMENT NO. 30958

NEW YORK STATE

**DEPARTMENT OF FINANCIAL SERVICES**

I, BENJAMIN M. LAWSKY, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

**Veronica Duncan Black**

as a proper person to examine the affairs of the

**AMERISTRACK TITLE INSURANCE COMPANY, INC.**

and to make a report to me in writing of the condition of said

**COMPANY**

with such other information as he shall deem requisite.

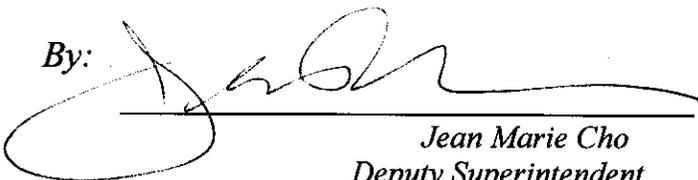
In Witness Whereof, I have hereunto subscribed by name  
and affixed the official Seal of the Department  
at the City of New York

this 12th day of February, 2013

**BENJAMIN M. LAWSKY**  
Superintendent of Financial Services



By:



Jean Marie Cho  
Deputy Superintendent

**AFFIDAVIT**

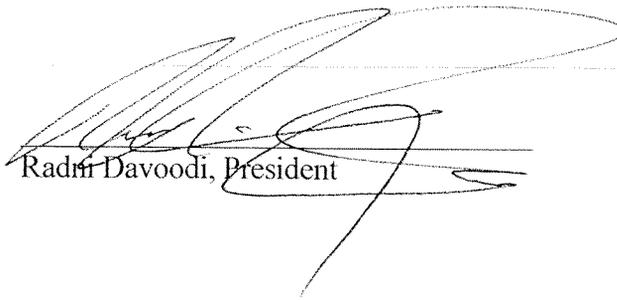
STATE OF NEW YORK)

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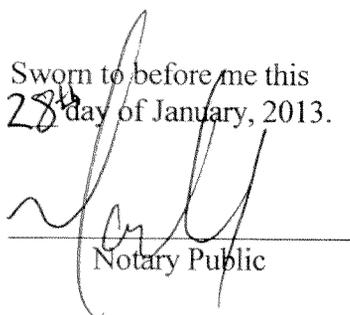
COUNTY OF NASSAU)

Radni Davoodi, being duly sworn, deposes and says:

1. I am the President of Ameristract Title Insurance Company, Inc. (the "Company").
2. On or about December 21, 2012, the Company submitted a draft of a proposed sublease (the "Sublease") between the Company, as sub-tenant, and Atlantis Holdings Group, LLC ("Atlantis"), as sub-landlord, for a portion of the premises leased by Atlantis (the "Subleased Premises"), located at 42 Middle Neck Road, Great Neck, New York 11021.
3. Pursuant to section 3.02 of the Sublease, the rent (the "Sublease Rent") for the Company's use and occupancy of the Subleased Premises is an amount equal to, on a per square foot basis, the fixed rent being paid by Atlantis to the landlord under the prime lease (the "Rent").
4. Pursuant to section 11.08 of the Sublease, the Company will be granted a license to the shared use of certain office and sundry equipment and a conference room, at no additional cost or expense to Ameristract (the "Expenses").
5. At all times, the Sublease Rent (including the Expenses) will not exceed, on a per square foot basis, the Rent, unless prior approval from the Superintendent of Financial Services of the State of New York has been obtained.
6. Expenses incurred by affiliates of the Company, other than those set forth in the Sublease, will not be allocated to or borne by the Company, unless prior approval from the Superintendent of Financial Services of the State of New York has been obtained.

  
Radni Davoodi, President

Sworn to before me this  
28<sup>th</sup> day of January, 2013.

  
\_\_\_\_\_  
Notary Public

**MARIE RIZK**  
Notary Public, State of New York  
Registration #01R16263631  
Qualified In Nassau County  
Commission Expires June 11, 2016

**AFFIDAVIT**

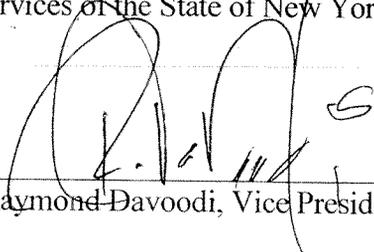
STATE OF NEW YORK)

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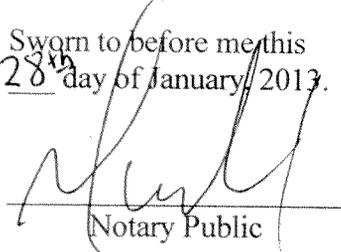
COUNTY OF NASSAU)

Raymond Davoodi, being duly sworn, deposes and says:

1. I am the Vice President of Ameristract Title Insurance Company, Inc. (the "Company").
2. On or about December 21, 2012, the Company submitted a draft of a proposed sublease (the "Sublease") between the Company, as sub-tenant, and Atlantis Holdings Group, LLC ("Atlantis"), as sub-landlord, for a portion of the premises leased by Atlantis (the "Subleased Premises"), located at 42 Middle Neck Road, Great Neck, New York 11021.
3. Pursuant to section 3.02 of the Sublease, the rent (the "Sublease Rent") for the Company's use and occupancy of the Subleased Premises is an amount equal to, on a per square foot basis, the fixed rent being paid by Atlantis to the landlord under the prime lease (the "Rent").
4. Pursuant to section 11.08 of the Sublease, the Company will be granted a license to the shared use of certain office and sundry equipment and a conference room, at no additional cost or expense to Ameristract (the "Expenses").
5. At all times, the Sublease Rent (including the Expenses) will not exceed, on a per square foot basis, the Rent, unless prior approval from the Superintendent of Financial Services of the State of New York has been obtained.
6. Expenses incurred by affiliates of the Company, other than those set forth in the Sublease, will not be allocated to or borne by the Company, unless prior approval from the Superintendent of Financial Services of the State of New York has been obtained.

  
Raymond Davoodi, Vice President

Sworn to before me this  
28<sup>th</sup> day of January, 2013.

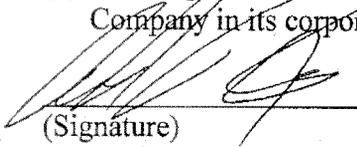
  
Notary Public

**MARIE RIZK**  
Notary Public, State of New York  
Registration #01R16263631  
Qualified In Nassau County  
Commission Expires June 11, 2016

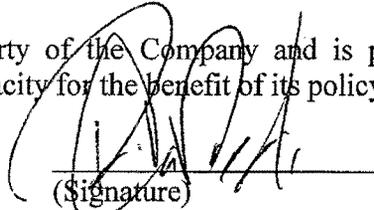
STATE OF NEW YORK, )  
 ) SS.:  
COUNTY OF NEW YORK )

The undersigned each an executive officer of Ameristract Title Insurance Company, Inc. (the "Company") duly sworn, depose and say under oath that, on the date of March 21th, 2013:

- (1) Each of the undersigned is an officer of the Company.
- (2) The Company's capital and surplus equals Eight Hundred and Fifty Thousand (\$850,000) Dollars, consisting of paid in capital of Five Hundred Thousand (\$500,000) Dollars and contributed surplus of Three Hundred and Fifty Thousand (\$350,000) Dollars (the "Capital and Surplus"). The Capital and Surplus is on deposit with Bank of America.
- (3) No part of the Capital and Surplus has been withdrawn, pledged, or in any way impaired.
- (4) No part of the Capital and Surplus is to be invested or otherwise legitimately used or appropriated except for the sole and exclusive use and benefit of the Company.
- (5) There is no agreement or understanding, express or implied, made or existing between the Company and its officers, or any or either of them, or any person or persons, to the effect or import that the money paid in by any stockholder shall be loaned or returned to it.
- (6) Neither the Company nor any of its officers is in any way, manner or form pledged or committed to make any investment, loan or disposition of the Capital and Surplus, or any part or portion thereof, which is not in strict conformity in all respects with the provisions of the Insurance Law of the State of New York.
- (7) The Capital and Surplus is the property of the Company and is possessed by the Company in its corporate name and capacity for the benefit of its policyholders.

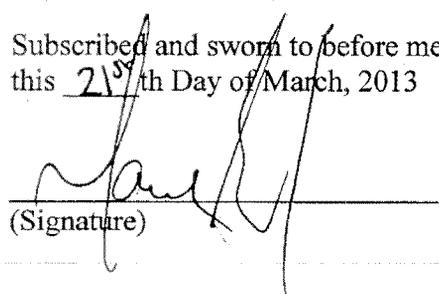
  
(Signature) 3/21/2013  
(Date)

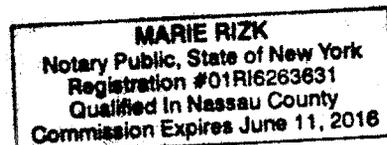
Radni Davoodi  
Radni Davoodi, President and Treasurer

  
(Signature) 3/21/2013  
(Date)

Raymond Davoodi  
Raymond Davoodi, Vice President and Secretary

Subscribed and sworn to before me  
this 21<sup>st</sup>th Day of March, 2013

  
(Signature)



Notary Public Stamp