

JUN 30 2010

Arizona Department of Financial Institutions



### Escrow Rate Filing

DEPT. OF FINANCIAL INSTITUTIONS

Page 1 of 1

This form must be submitted with all filings, including those filings to withdraw or change rates in previously "approved" filings.

Company / Agency Name:

NETCO, Inc.

Address:

1835 W. CHANDLER BLVD., SUITE 102

City:

CHANDLER

State:

AZ

Zip Code:

85224

Type of filing:

- New Rate Schedule
- Change of existing approved rates
- Withdrawal of rate filing

Date this filing will go into effect:

7/15/2010

Identify rate classifications involved in this filing:

Escrow - Refinance

Estimate the percentage of present Arizona market share of escrow business:

< 1%

#### Required information - to be included with each filing.

- Cover letter with an explanation of the change.
- Certification form, notarized with the effective date - 15 day waiting period
- Justification - check items
  - Financial Statement
  - Statistics - Income & Expenses
  - Other
  - Comparison of Rates
  - Experience of filing - other agents
- Duplicate copy of cover letter, certified form and self-addressed stamped envelope.

### Filing Authorization Certification

State of Missouri

County of ST. CLAIRS ) SS

PATRICIA DIGNAM  
Name of Filer

being duly sworn, deposes and certifies that he/she has

been authorized by MARC SCHLUTER, President a company officer of NETCO, INC.  
Name of Company Officer Name of Company

to make this filing on behalf of the company.

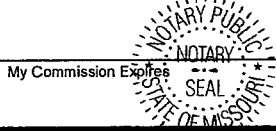
6-29-10  
Date

[Signature]  
Signature of Filer

SECRETARY  
Title of Filer

636-925-8640  
Telephone # (include 1-800 # and extension)

Subscribed and sworn to before me this 29 day of 6 2010



CURT PLUMPE  
My Commission Expires  
July 10, 2011  
Greene County  
Commission #07007500

[Signature]  
Notary Public Signature

#### For Department Analyst use only

Date Received

6/30/10

Effective Date

7/15/2010

Action Taken

- Approve
- Withdraw
- Hearing
- Other
- Additional time - Request \$
- Additional information - Correspondence

Analyst

Mike McNamee

Date

7/20/2010

2910 North 44<sup>th</sup> Street, Suite 310  
Phoenix, AZ 85018

Form: EA-FIL-001  
Revised 12/15/2006



*Your National Title Solution*

401 Fountain Lakes Blvd., St. Charles, Missouri 63301 Phone 636.925.8640 Fax 636.925.8645

6/29/10

Arizona State Banking Department  
Escrow Rate Filing Department  
2910 North 44<sup>th</sup> Street, Suite 310  
Phoenix, AZ 85018

Re: Netco, Inc. – Escrow Rate Filing

Please find enclosed a new Escrow Rate Filing for Netco, Inc. This Rate Filing should supplant the previously filed rates for Netco, Inc. The new schedule of rates should allow Netco, Inc. to remain competitive in the marketplace while generating an acceptable profit margin. If you have any questions or comments regarding this please phone me at your convenience at 636.925.8640. Thank you for your attention to this matter.

Sincerely,

Pat Dignam  
General Counsel

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "A Rate" for escrow transaction where the broker/lender closes and the file is disbursed by Netco, Inc.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ \$100.00	Expense Total _____ \$125.00
Current Rate _____ \$400.00	Proposed New Rate _____ \$175.00
Profit (Loss) _____ \$300.00	Profit (Loss) _____ \$50.00
% Profit (Loss) _____ 75%	% Profit (Loss) _____ 29%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "A Rate" where the broker/lender closes and the file is disbursed by Netco, Inc..

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "B Rate" for escrow transaction where the broker/lender closes and the file is disbursed by Netco, Inc.

Current Transaction Expense

Expense Total \_\_\_\_\_ \$100.00

Current Rate \_\_\_\_\_ \$300.00

Profit (Loss) \_\_\_\_\_ \$200.00

% Profit (Loss) \_\_\_\_\_ 66% \_\_\_\_\_

Estimated Transaction Expense

Expense Total \_\_\_\_\_ \$125.00

Proposed New Rate \_\_\_\_\_ \$250.00

Profit (Loss) \_\_\_\_\_ \$125.00

% Profit (Loss) \_\_\_\_\_ 50% \_\_\_\_\_

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "B Rate" where the broker/lender closes and the file is disbursed by Netco, Inc..

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account  
"A Rate" for refinance closings.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ <u>\$250.00</u>	Expense Total _____ <u>\$275.00</u>
Current Rate _____ <u>\$400.00</u>	Proposed New Rate _____ <u>\$350.00</u>
Profit (Loss) _____ <u>\$150.00</u>	Profit (Loss) _____ <u>\$75.00</u>
% Profit (Loss) _____ <u>38%</u>	% Profit (Loss) _____ <u>21%</u>

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "A Rate".

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "B Rate" for refinance closings.

Current Transaction Expense

Expense Total       \$250.00

Current Rate       \$300.00

Profit (Loss)       \$50.00

% Profit (Loss)       17%

Estimated Transaction Expense

Expense Total       \$275.00

Proposed New Rate   \$400.00

Profit (Loss)       \$125.00

% Profit (Loss)       31%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "B Rate".

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "C Rate" for refinance closings.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ \$250.00	Expense Total _____ \$275.00
Current Rate _____ \$175.00	Proposed New Rate _____ \$425.00
Profit (Loss) _____ \$75.00	Profit (Loss) _____ \$150.00
% Profit (Loss) _____ 43%	% Profit (Loss) _____ 35%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "C Rate".

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "D Rate" for refinance closings.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ \$250.00	Expense Total _____ \$275.00
Current Rate _____ \$400.00	Proposed New Rate _____ \$450.00
Profit (Loss) _____ \$150.00	Profit (Loss) _____ \$175.00
% Profit (Loss) _____ 38%	% Profit (Loss) _____ 39%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for national clients listed on the national "D Rate".



PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions for national clients that are on the national account "A Rate" for purchase closings, to be split between buyer and seller.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ \$250.00	Expense Total _____ \$400.00
Current Rate _____ \$500.00	Proposed New Rate _____ \$1,100.00
Profit (Loss) _____ \$250.00	Profit (Loss) _____ \$700.00
% Profit (Loss) _____ 50%	% Profit (Loss) _____ 64%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a purchase real estate transaction for national clients listed on the national "A Rate".

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions where a prior written agreement exists between a high volume client and Netco, Inc. for escrow/closing services.

Current Transaction Expense

Expense Total       N/A      

Current Rate                     

Profit (Loss)                     

% Profit (Loss)                     

Estimated Transaction Expense

Expense Total       variable      

Proposed New Rate   negotiable  

Profit (Loss)       variable      

% Profit (Loss)       variable      

Factors influencing the final rate:

Netco, Inc. believes that a negotiated rate for certain high-volume clients will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction.

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all Veterans Affairs ("VA") loan transactions.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total <u>      N/A      </u>	Expense Total <u>      \$185.00      </u>
Current Rate <u>                    </u>	Proposed New Rate <u>      \$185.00      </u>
Profit (Loss) <u>                    </u>	Profit (Loss) <u>      \$0.00      </u>
% Profit (Loss) <u>                    </u>	% Profit (Loss) <u>      0%      </u>

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a VA transaction.

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Escrow Rate for all transactions with Freedom Mortgage.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total <u>      N/A      </u>	Expense Total <u>      \$185.00      </u>
Current Rate <u>                    </u>	Proposed New Rate <u>      \$185.00      </u>
Profit (Loss) <u>                    </u>	Profit (Loss) <u>      \$0.00      </u>
% Profit (Loss) <u>                    </u>	% Profit (Loss) <u>      0%      </u>

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the closing/escrow of a real estate transaction for Freedom Mortgage.

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Aggregate courier fee rate for all escrow transactions.

Current Transaction Expense

Expense Total       \$35.00

Current Rate       \$45.00

Profit (Loss)       \$10.00

% Profit (Loss)       22%

Estimated Transaction Expense

Expense Total       \$40.00

Proposed New Rate   \$100.00

Profit (Loss)       \$60.00

% Profit (Loss)       60%

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the transporting of all documents for a real estate transaction.

PROPOSED NEW ESCROW RATE OR CHANGE OF RATE

**LICENSEE: Netco, Inc.**

Aggregate recording rate for all escrow transactions.

<u>Current Transaction Expense</u>	<u>Estimated Transaction Expense</u>
Expense Total _____ <u>\$35.00</u>	Expense Total _____ <u>\$40.00</u>
Current Rate _____ <u>\$45.00</u>	Proposed New Rate _____ <u>\$65.00</u>
Profit (Loss) _____ <u>\$10.00</u>	Profit (Loss) _____ <u>\$25.00</u>
% Profit (Loss) _____ <u>22%</u>	% Profit (Loss) _____ <u>42%</u>

Factors influencing the final rate:

Netco, Inc. believes this to be a fair and competitive rate that will allow us to achieve a reasonable level of revenue and market share in order to succeed in the Arizona market by covering the estimated average costs and time associated with the recording of all documents for a real estate transaction.