

## **DEFINING DOCUMENTS**

The best single overview of the FeeSimpleHosting proposal is “Introducing FeeSimpleHosting,” which can be viewed on the internet at [www.FeeSimpleHosting.com](http://www.FeeSimpleHosting.com) under *Defining Documents*. Additionally, everything needed for a basic understanding of the venture can be found under “FeeSimpleHosting in Detail,” also on that site.

## **OVERVIEW**

FeeSimpleHosting builds an internet-based pool into which the nation’s title companies copy every title insurance policy they issue. Policies are indexed and become available to any title company needing them.

FeeSimpleHosting thus creates a simple, swift, inexpensive, and universal method for exchanging prior files. Its objective is total industry-wide use: every title insurer and every title insurance policy.

FeeSimpleHosting thus eclipses all other methods of finding prior files with one more efficient and cheaper.

FeeSimpleHosting starts when the nation’s title underwriters begin posting all go-forward policies and as many previously issued policies as they can. As the pool grows and the chance of finding a helpful policy is more certain, offices elect to use it even when other methods of locating prior files are available.

Soon, the system is able to find a prior policy every time it is queried, and, eventually, it finds every property’s most recent policy, every time. Every search becomes a one-owner search with significant economic advantages and implications.

A quickly-found, on-the-money prior policy saves an issuing office a sum estimated in 2001 at \$100 in avoided labor costs, undoubtedly significantly more today. An environment where there is a 100% certainty of finding the last policy will save that cost and more in staffing and infrastructure.

Thus the age-old practice of performing endlessly repetitive examinations of the same chain of title comes to an end. A major process improvement is realized, which, for the first time, totally leverages prior work across the entire industry.

## **CORPORATE STRUCTURE**

FSH Working Group, LLC is an Illinois limited liability corporation. Its principals are Perry Hamilton, Robert Scherer, John Tagge, and Patrick Vaden. Legal counsel is Arthur E. Pape, Esq. It was organized for the purpose of creating and organizing FeeSimpleHosting.

Fee Simple Hosting, Inc. is a Delaware corporation capitalized with five million common shares. It is the sole owner of the FeeSimpleHosting enterprise, including the FeeSimpleHosting concept and plan, and including as well its Universal File Sharing model, its plans of operation, financial models, organization, structure, methods of operation, pricing model, technologies, rules, governance, and production environments.

## **KEY FEATURES**

- FeeSimpleHosting elected to organize around the nation’s title insurer community. Participants must prepare themselves to use the facility and enforce the posting of policies throughout their networks. They will ultimately own a majority of the common shares;
- Every full-search title insurance policy written on the paper of a participating underwriter, nationwide, is posted to an electronic pool;
- Posted policies are accessible via the internet by any participating title insuring office needing them to help issue new insurance, and for no other purpose;
- Go-forward posting of issued policies is mandatory and carries no charge;
- Posting of back policies (policies issued prior to FeeSimpleHosting) is optional;
- Retrieval of posted policies is optional;
- A fee is charged to retrieve a prior policy, initially projected at \$28.00;
- Fees thus collected are divided equally between the office that posted the policy and the insurer on whose paper it was written, with a third portion paid to FSH;
- At least 80% of title insurers, as measured by national market share, must agree to participate;
- Comprehensive rules of governance are written;
- Technology partner: IBM;
- Capitalization: \$12 million in loan capital;
- When FeeSimpleHosting becomes operational the FSH Working Group, LLC withdraws and its principals depart.