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May 29, 2004

## New product protects houses from title fraud

Of all the questions I receive from Star readers, the most common one over the last few years has been: How can I protect my house from title fraud?

Until now, the answer has always been that there was no way to protect a house from this kind of crime.

New buyers of builder homes or resales could always purchase title insurance, but there was no similar protection available for people who already owned their homes.

Fortunately for owners of existing homes, Stewart Title Guaranty Company has developed a new product called the Existing Owners Policy.

It is available to people who already own their homes and did not or could not buy title insurance at the time they closed their purchase.

In many cases, the house purchase predated the availability of title insurance in the Ontario marketplace. In other cases, it was available but not as well entrenched in the marketplace as it is now.

Stewart Title developed the Existing Owners Policy in response to numerous cases where fraudsters have targeted the titles of innocent homeowners to arrange bogus sales or mortgages and disappear with the proceeds.

I have written about many of these fraud cases in this column in the past two years (see the archives at <http://www.thestar.com> and <http://www.aaron.ca>).

In late 1999 and early 2000, five sets of Richmond Hill homeowners learned the hard way how easy it was for a fraudster to register false title deeds in his name, forge discharges of existing mortgages, register new deeds and mortgages and disappear with the cash.

Emanuele Tesoro pleaded guilty to 33 counts involving real estate fraud and was sentenced to 38 months in jail. In addition, he was also ordered to repay the owners and mortgage companies more than \$1.5 million.

Stewart Title insured three of the five mortgages in the Tesoro case, and wound up writing several sizeable cheques to the lenders involved.

The previous year, Stewart Title had paid out \$851,000 on two similar frauds.

One of the cheques was to repay the mortgagee of a house owned by Isabel Simoes and her late husband until the title was stolen back in January 2001.

Someone using the name Dante Lettieri transferred the title of the Simoes' house to himself, forging the name of Isabel Simoes and her husband Laurenio, who had died in Portugal four months earlier.

Although Stewart Title paid the mortgagee, it took the Simoes family 18 months and \$11,000 in legal fees to have the title restored to them.

Unfortunately, under our land registration system, having title restored to an innocent owner is not a simple, fast or inexpensive task.

Stewart Title's new title insurance policy for existing owners may not prevent title fraud, but it will certainly go a long way to protecting people like Isabel Simoes and the Richmond Hill homeowners targeted by Tesoro from the huge costs resulting from title theft.

Last week, Wayne Lipton, Canadian vice-president of Stewart Title, told me that the new policy is already selling well.

In addition to fraud, it also protects existing homeowners from all other risks listed in a standard title insurance policy.

Stewart Title's regular residential premiums apply to the existing owners policy.

For freehold homes with a policy amount under \$500,000, the cost is a one-time \$200, plus PST.

For condominiums with the same value, the cost is \$100, plus PST. Additional premiums apply above \$500,000.

The policies are not available directly to the public.

Under Ontario law, a lawyer is required to apply for the coverage and update the original title search for the insurance company.

The value listed on the policy will be the original purchase price, or the current assessed value if Stewart receives evidence of the current fair market value assessment.

TitlePLUS, the lawyer-owned title insurance company, has no plans to introduce a similar existing owner policy, although one competing product has recently entered the marketplace.

Title fraud today has reached crisis proportions. Area police and the Law Society are monitoring hundreds of cases. In my view, no owner of an existing home should be without existing owner coverage.

If you don't have title insurance on your home, call your lawyer today.

**Follow-up:** Time is running out for participants in a failed real estate development called World Centre, at Bayview and Major MacKenzie in Richmond Hill.

As I reported in this column on March 6, a class action involving 143 plaintiffs resulted in a settlement in which each member of the class is eligible to share in the \$2.56 million compensation pool.

Unfortunately, the lawyers for the plaintiffs have lost touch with about 25 of their clients who have moved without leaving forwarding addresses. They are entitled to amounts ranging from \$7,000 to \$28,000.

The missing investors have until June 30, to contact their lawyer or they will lose their right to share in the settlement money.

The lawyer handling the claims is Samuel Marr at 416-221-9343.

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