STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION 3

IN THE MATTER OF DETERMINING Whether there has been a violation of the Escrow Agent Registration Act by:

Order No. S-04-225-04-CO01

Lynn Rivera,

Respondent.

CONSENT ORDER

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INTRODUCTION

Pursuant to the Escrow Agent Registration Act, chapter 18.44 RCW, the Department of Financial Institutions of the State of Washington, Securities Division, ("Department") and Respondent Lynn Rivera do hereby agree to this Consent Order in settlement of the above captioned matter. Respondent neither admits nor denies the Findings of Fact or Conclusions of Law stated below.

FINDINGS OF FACT

<u>RESPONDENT</u>

1. From April 1998 through February 2004, Lynn Rivera ("Rivera") was the sole owner and Designated Escrow Officer ("DEO") of Newcastle Escrow Corporation ("Newcastle").

NATURE OF THE CONDUCT

2. In or around April 1998, Rivera registered Newcastle with the Washington State

Department of Revenue. In the same month, the Department licensed Newcastle as an escrow agent and Rivera as Newcastle's DEO.

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

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- 3. In or around February 2004, Eve Manalo ("Manalo") and Henry Jose ("Jose") entered into a purchase agreement with Rivera effective March 1, 2004, for substantially all of the Newcastle assets. At that time, Manalo and Jose became the principal officers or control persons for Newcastle. Rivera did not notify the Department in writing at least thirty days prior to the effective date of this transfer. Rivera also did not provide the Department, at least thirty days prior to the change in principal officers or control persons, with all information about Manalo and Jose that would be required for their escrow agent licensure.
- 4. On October 6, 2004, Rivera contacted the Department regarding Newcastle's licensure. Rivera informed the Department that a change of ownership had occurred with Newcastle.

Based upon the Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

- 1. The conduct described in the Findings of Fact is in violation of RCW 18.44.301(10) and WAC 208-680B-015(3) because Rivera failed to provide written notice to the Department at least 30 days prior to the March 1, 2004 effective date of the transfer. Such conduct is grounds under RCW 18.44.430(1)(b) for this action against the Respondent.
- 2. The conduct described in the Findings of Fact is in violation of RCW 18.44.301(10) and WAC 208-680B-015(4) because Rivera failed to provide to the Department, at least 30 days prior to a change in a principal officer or controlling person, all information required of such a principal officer or controlling person that would be required for a new application for a license. Such conduct is grounds under RCW 18.44.430(1)(b) for this action against the Respondent.

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360-902-8760

CONSENT ORDER

CONTINUING INVESTIGATION

The Department is continuing to investigate the practices of Newcastle and its principals, employees, and agents to determine the full extent of the violations of the Escrow Agent Registration Act that have occurred.

CONSENT ORDER

Based upon the foregoing:

IT IS HEREBY ORDERED AND AGREED that Respondent, Lynn Rivera, shall cease and desist from violating RCW 18.44.301(10) and WAC 208-680B-015(3) and (4).

IT IS FURTHER ORDERED AND AGREED that Respondent, Lynn Rivera, shall pay a fine in the amount of \$5,000, the entire amount of which is suspended based on future compliance with this Order and based on her cooperation with the Department as further described in this Order.

IT IS FURTHER AGREED that Respondent Lynn Rivera shall cooperate fully with the Department in any and all investigations, litigations, or other proceedings relating to or arising from the matters described in this Consent Order.

IT IS FURTHER AGREED Respondent Lynn Rivera shall reimburse the Securities Division \$1,000 for its costs incurred in investigating this matter.

IT IS FURTHER AGREED that the Department of Financial Institutions, Securities Division, has jurisdiction to enter this Order.

IT IS FURTHER AGREED that in consideration of the foregoing Respondent Lynn Rivera waives her rights to a hearing in this matter and to judicial review of this order.

360-902-8760

1	Signed this 2nd day of December, 2004.	
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3	Signed by:	
4	4 /s/ Lynn Rivera	
5	5 Lynn Rivera	
67	THIS ORDER SIGNED AND ENTERED THIS 9th DAY OF DECEMBER 2004 BY:	
8	8	
9	Michael E. Stevenson Assistant Director	
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11	Department of Financial Institutions	
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13	13 Approved by: Presented b	y:
14	/s/ Martin Cordell /s/ D	ylan Waits
15	Martin Cordell Dylan Wait	
16		egal Examiner
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