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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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

NO. C-10-085-10-FO01

CHAMPION ESCROW, LLC, d/b/a RELIANCE
ESCROW, LLC, and KIMBERLY A.
GONZALES, f/k/a KIMBERLY A. ALBERT,
Escrow Agent, Designated Escrow Officer, and
Owner/Manager,

FINAL ORDER

Respondents.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner, pursuant to RCW 34.05.440(1). On October 29, 2010, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated November 2, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Champion Escrow, LLC d/b/a Reliance Escrow, LLC, and Kimberly A. Gonzales f/k/a Kimberly A. Albert. The Department served the Statement of Charges, cover letter dated November 2, 2010, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Champion Escrow, LLC d/b/a Reliance Escrow, LLC, and Kimberly A. Gonzales f/k/a Kimberly A. Albert on Respondents, on November 2,

1 2010, by First-Class Mail and Federal Express overnight delivery. On November 8, 2010, the
2 documents sent via First-Class Mail were returned to the Department by the U.S. Postal Service as
3 undeliverable. The documents sent via Federal Express overnight delivery were delivered to the
4 Respondents on November 4, 2010.

5 Respondents did not request an adjudicative hearing within twenty calendar days after the
6 Department served them with the Notice of Opportunity to Defend and Opportunity for Hearing, as
7 provided for in WAC 208-08-050(2).

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9 B. Record Presented. The record presented to the Director's designee for her review and for
10 entry of a final decision included the Statement of Charges, cover letter dated November 2, 2010, Notice
11 of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing
12 for Champion Escrow, LLC d/b/a Reliance Escrow, LLC, and Kimberly A. Gonzales f/k/a Kimberly A.
13 Albert, with documentation of service;

14 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director's
15 designee hereby adopts the Statement of Charges, which is attached hereto.

16 II. FINAL ORDER

17 Based upon the foregoing, and the Director's designee having considered the record and
18 being otherwise fully advised, NOW, THEREFORE:

19 A. IT IS HEREBY ORDERED, That:

- 20
- 21 1. Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A.
22 Gonzales f/k/a Kimberly A. Albert, are to provide the Department with month-end
23 reconciliation records from January 1, 2009, through July 31, 2010, including bank
statements, cancelled checks, debit and credit memos, wire confirmations and
quarterly reports;
 - 24 2. Respondent Champion Escrow, LLC, d/b/a Reliance Escrow, is prohibited from
25 participation in the conduct of the affairs of any escrow agent subject to licensure by
the Director, in any manner, for 5 years;

- 1 3. Respondent Kimberly A. Gonzales f/k/a Kimberly A. Albert is prohibited from the
2 participation in the conduct of the affairs of any escrow agent subject to licensure by
3 the Director, in any manner, for 5 years;
- 4 4. Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A.
5 Gonzales f/k/a Kimberly A. Albert, jointly and severally pay a fine totaling \$10,000;
- 6 5. Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A.
7 Gonzales f/k/a Kimberly A. Albert, jointly and severally, pay an investigation fee
8 totaling \$437.50; and
- 9 6. Respondents Champion Escrow, LLC, d/b/a Reliance Escrow, Kimberly A. Gonzales
10 f/k/a Kimberly A. Albert, its officers, employees, and agents maintain all records
11 involving Washington State escrow transactions within the State of Washington for a
12 period of six years from completion of the escrow transactions.

13 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
14 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
15 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
16 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
17 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
18 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
19 Reconsideration a prerequisite for seeking judicial review in this matter.

20 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
21 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
22 notice specifying the date by which it will act on a petition.

23 C. Stay of Order. The Director's designee has determined not to consider a Petition to Stay
24 the effectiveness of this order. Any such requests should be made in connection with a Petition for
25 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

1 D. Judicial Review. Respondents have the right to petition the superior court for judicial
2 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
3 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

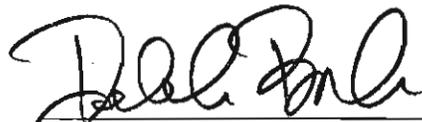
4 E. Non-compliance with Order. If you do not comply with the terms of this order, the
5 Department may seek its enforcement by the Office of Attorney General to include the collection of the
6 fines and fees imposed herein.

7 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
8 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached
9 hereto.

10
11 DATED this 3rd day of January, 2016.



12 STATE OF WASHINGTON
13 DEPARTMENT OF FINANCIAL INSTITUTIONS

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15 DEBORAH BORTNER
16 DIRECTOR
17 DIVISION OF CONSUMER SERVICES

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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

CHAMPION ESCROW, LLC, d/b/a RELIANCE
ESCROW, LLC, and KIMBERLY A. GONZALES,
f/k/a KIMBERLY A. ALBERT, Escrow Agent,
Designated Escrow Officer, and Owner/Manager,

Respondents.

NO. C-10-085-10-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO
PROHIBIT FROM INDUSTRY, IMPOSE FINE,
COLLECT INVESTIGATION FEE, AND
MAINTAIN RECORDS

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INTRODUCTION

Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions (Director) is responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (the Act). After having conducted an investigation pursuant to RCW 18.44.420 and WAC 208-680G-020, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Deborah Bortner, Division Director, Division of Consumer Services, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Champion Escrow, LLC, d/b/a Reliance Escrow (Respondent Champion) was licensed on or about December 20, 2004, by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent in the State of Washington. Respondent Champion maintained its license until November 12, 2008, when it surrendered its license.

B. Kimberly A. Gonzales f/k/a Kimberly A. Albert (Respondent Gonzales) is the Designated Escrow Officer (DEO), Escrow Agent and Owner/Manager of Respondent Champion. Respondent Gonzales was licensed as an escrow agent by the Department on or about February 2, 2007, and maintained the license until it was cancelled on or about December 8, 2008. Respondent Gonzales was licensed as a designated

1 escrow officer for Respondent Champion, on or about February 2, 2007, and maintained the license until it was
2 cancelled on or about December 8, 2008.

3 **1.2 Failure to Maintain Records, Respond to Department's Requests, and Failure to Reconcile Trust**

4 **Account.** On or about November 12, 2008, Respondent Gonzales, as DEO of Respondent Champion, submitted
5 closure paperwork to the Department. On or around January 20, 2009, Seawest, the Respondents' landlord property
6 management company, contacted the Department stating Respondents were several months past-due on paying rent
7 for their office located at 200 Central Way, Ste D, Kirkland, Washington 98033, and it appeared the office had been
8 abandoned with the escrow records still onsite.

9 Financial Examiner (FE) Wong contacted Seawest and Respondent Gonzales and arranged with
10 Respondent Gonzales to meet at the Kirkland office to obtain records needed to reconcile the trust account. FE
11 Wong took possession of approximately five boxes containing reconciliation records. After FE Wong reviewed
12 records they were transferred back to Respondent Gonzales to perform a reconciliation. As Seawest would not
13 release the remainder of escrow records until the dispute with Respondent Champion was resolved, Seawest
14 management agreed the records would not be destroyed, and Seawest management would contact the
15 Department if the records needed to be removed from the office.

16 FE Wong requested Respondent Gonzales provide monthly updates of her work to reconcile the trust
17 account. Respondent Gonzales stated she would continue to work towards reconciling the account, but she had
18 to reconcile the records manually. Respondent Gonzales periodically reported she was working to reconcile the
19 trust account. FE Wong sent Respondent Gonzales an email on December 30, 2009, stating the 3rd Quarter
20 2009 still had not been received and the 4th quarter 2009 would be due in one month. Respondent Gonzales
21 stated she would provide the reports and continue to work on the reconciliation.

22 On March 8, 2010, Respondent Gonzales sent an email to FE Wong stating the reconciliation records
23 had been destroyed. Per Respondent Gonzales, the five boxes of reconciliation records transferred to her by FE
24 Wong were destroyed in an offsite storage site by flood, and the records held in the Kirkland office were
25 separately destroyed when a water pipe burst. Respondent Gonzales also stated she remitted a check of

1 approximately \$16,000 to the Department prior to contacting FE Wong. Respondent Gonzales claimed she
2 wanted to escheat the funds as unclaimed property as she could not finish the reconciliation due to the
3 destruction of the records. FE Wong informed Respondent Gonzales that:

- 4 1. The Department cannot accept the funds, as it does not administer unclaimed property; and
- 5 2. All unclaimed funds should be remitted to Washington State Department of Revenue; however, she
6 cannot escheat the funds until she reconciles the trust account and identifies the parties to whom the
7 funds belong.

8 On March 11, 2010, FE Wong sent an email requesting Respondent Gonzales provide copies of all
9 remaining reconciliation documentation and bank statements for the last twelve months. Respondent Gonzales was
10 asked to obtain the bank statements from the bank if the bank statements were not on hand. Respondent Gonzales
11 did not reply to the email. FE Wong sent a follow-up email on March 19, 2010, and has yet to receive a response
12 from the Respondents.

13 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
14 Respondents continues to date.

16 II. GROUNDS FOR ENTRY OF ORDER

17 **2.1 Requirement to File Quarterly Reports.** Based on the Factual Allegations set forth in Section 1 above,
18 Respondents are in apparent violation of RCW 18.44.430 and WAC 208-680E-025, for failing to file a report
19 concerning its operations and trust account administration and reconciliation within 30 days following the end of
20 each fiscal quarter.

21 **2.2 Requirement to Respond to Department's Investigative Authority.** Based on the Factual Allegations
22 set forth in Section 1 above, Respondents are in apparent violation of RCW 18.44.430 for failing, upon demand, to
23 disclose information within his or her knowledge to, or to produce any document, book, or record in his or her
24 possession for inspection of, the director or his authorized representative.

1 **2.3 Requirement to Maintain Records in the State of Washington.** Based on the Factual Allegations set
2 forth in Section 1 above, Respondents are in apparent violation of RCW 18.44.400, WAC 208-680D-020 and 208-
3 680D-030 for failing to maintain transaction records in the State of Washington for a period of six years from
4 completion of the transaction.

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6 **III. AUTHORITY TO IMPOSE SANCTIONS**

7 **3.1 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 18.44.440 and WAC 208-
8 680G-030, if the director determines after notice and hearing that a person has violated any provision of the
9 Act, or engaged in any false, unfair and deceptive, or misleading advertising or promotional activity or business
10 practices, the director may issue an order requiring the person to take such affirmative action as in the judgment
11 of the director will carry out the purposes of the Act.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.430, in addition to or in lieu of license
13 suspension, revocation, or denial, the Director may remove or prohibit from participation in the conduct of the
14 affairs of any licensed escrow agent, any officer, controlling person, director, employee, or licensed escrow officer.

15 **3.3 Authority to Impose Fines.** Pursuant to RCW 18.44.430(3) and WAC 208-680G-040(3), in addition to
16 or in lieu of license suspension, revocation, or denial, the Director may impose a fine of up to \$100 per day for each
17 day's violation of the Act.

18 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680G-050, the
19 expense of an investigation pursuant to WAC 208-680G-020 shall be borne by the entity which is the subject of the
20 investigation.

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1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 18.44 RCW as set forth in the above Factual
3 Allegations and Grounds For Entry Of Order constitute a basis for the entry of an Order under RCW 18.44.400,
4 RCW 18.44.410, RCW 18.44.430, RCW 18.44.440, and WAC 208-680G-030, which authorize the Director to
5 enforce all laws, rules, and regulations related to the registration of escrow agents and licensing of escrow officers.
6 Therefore, it is the Director's intention to ORDER that:

- 7 **4.1** Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A. Gonzales f/k/a Kimberly
8 A. Albert, provide the Department with month-end reconciliation records from January 1, 2009, through
9 July 31, 2010, including bank statements, cancelled checks, debit and credit memos, wire confirmations
10 and quarterly reports;
- 11 **4.2** Respondent Champion Escrow, LLC, d/b/a Reliance Escrow, be prohibited from participation in the
12 conduct of the affairs of any escrow agent subject to be licensure by the Director, in any manner, for a
13 period of 5 years;
- 14 **4.3** Respondent Kimberly A. Gonzales f/k/a Kimberly A. Albert be prohibited from the participation in the
15 conduct of the affairs of any escrow agent subject to be licensure by the Director, in any manner, for a
16 period of 5 years;
- 17 **4.4** Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A. Gonzales f/k/a Kimberly
18 A. Albert, jointly and severally pay a fine, which as of the date of these charges totals \$10,000;
- 19 **4.5** Respondents Champion Escrow, LLC, d/b/a Reliance Escrow and Kimberly A. Gonzales f/k/a Kimberly
20 A. Albert, jointly and severally, pay an investigation fee which as of the date of these charges totals
21 \$437.50, calculated at \$62.50 per hour for 7 staff hours; and
- 22 **4.6** Respondents Champion Escrow, LLC, d/b/a Reliance Escrow, Kimberly A. Gonzales f/k/a Kimberly A.
23 Albert, its officers, employees, and agents maintain all records involving Washington State escrow
24 transactions within the State of Washington for a period of six years from completion of the escrow
25 transactions.

20 **V. AUTHORITY AND PROCEDURE**

21 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose
22 Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges) is entered pursuant to the provisions
23 of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW.
24 Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
25 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

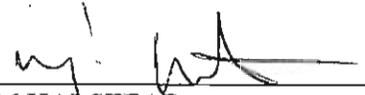
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DATED this 29th day of October, 2010.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



WILLIAM HALSTEAD
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief