

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-05-082-05-SC01
Whether there has been a violation of the)
Escrow Agent Registration Act by:) TEMPORARY CEASE AND DESIST
) ORDER AND STATEMENT OF CHARGES,
Signed, Sealed and Delivered, Inc., dba) ORDER FOR AFFIRMATIVE RELIEF, AND
Lakeside Escrow, and Joyce Feeley Ratcliffe) NOTICE OF INTENT TO DENY ESCROW
) LICENSES, TO IMPOSE FINES, AND TO
Respondents) PROHIBIT PARTICIPATION IN THE
) ESCROW INDUSTRY
)

THE STATE OF WASHINGTON TO: Signed, Sealed and Delivered, Inc.
Joyce Feeley Ratcliffe

STATEMENT OF CHARGES

Please take notice that the Department of Financial Institutions of the State of Washington (“Department”) has reason to believe that Respondents, Signed, Sealed and Delivered, Inc., dba Lakeside Escrow, and Joyce Feeley Ratcliffe, have each violated the Escrow Agent Registration Act, ch. 18.44 RCW, and that their violations justify the entry of an order of the Department against each to cease and desist from such violations, to provide monthly reconciliations, to deny escrow licenses, to impose fines and to prohibit participation in the licensed escrow industry. The Department finds as follows:

1 **TENTATIVE FINDINGS OF FACT**

2 **I. Respondents**

3 1. Signed, Sealed and Delivered, Inc., dba Lakeside Escrow (“SSD”), conducts business
4 at 18207 Sumner-Buckley Highway in Bonney Lake, Washington. On May 15, 2004, SSD
5 purchased the assets of Lakeside Escrow, Inc. and the use of the trade name “Lakeside Escrow.”
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7 2. Joyce Feeley Ratcliffe (“Ratcliffe”) is the controlling shareholder and president of
8 SSD, which was incorporated on April 26, 2004. From 2001 until April 13, 2004, Ratcliffe was
9 a licensed escrow officer and from 2001 until 2003, Ratcliffe was licensed as a designated
10 escrow officer with escrow agents other than Signed, Sealed and Delivered, Inc.

11 **II. Conducting Escrow Transactions**

12 From May 10, 2004 until the present, Ratcliffe and SSD have held themselves out to the
13 public as a person and an entity that can handle escrow transactions and have accepted escrow
14 business. During that time, Respondents have been holding money in and disbursing money
15 from a trust account in transactions for the purpose of effecting and closing the sale, purchase,
16 exchange, transfer, encumbrance and/or lease of property. Respondents have prepared and/or
17 followed written escrow and settlement instructions.

18 **III. Unlicensed Escrow Agent and Unlicensed Escrow Officer**

19 1. Lakeside Escrow, Inc., submitted an office closure report to the Department on May
20 10, 2004, and surrendered its escrow agent license as of that date. SSD has never been licensed
21 as an escrow agent. Ratcliffe’s escrow officer license was cancelled by the Department on April
22 13, 2004, for failure to renew the license. No other employee of SSD is licensed as an escrow
23 officer.
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1 2. On June 18, 2004, SSD filed with the Department a materially incomplete escrow
2 agent application and Ratcliffe filed an application to serve as its designated escrow officer. The
3 Department informed SSD and Ratcliffe of the additional information necessary for licensure
4 and advised them not to begin performing escrow transactions until properly licensed. SSD and
5 Ratcliffe have failed to submit all of the additional required information.

6
7 IV. Failure to Perform Timely Reconciliations and Itemize Disbursements and Unauthorized
8 Withdrawals of Client Funds

9 SSD and Ratcliffe have each failed to keep and maintain adequate and timely
10 reconciliations. For the months of September 2004 through March 2005, SSD and Ratcliffe did
11 not reconcile the trust account balances to the monthly bank statements until May 2005. Further,
12 SSD and Ratcliffe did not identify the trust account disbursements for the following withdrawals:

<u>Check #</u>	<u>Date Paid</u>	<u>Amount</u>
33640	9/27/04	\$10,000
33641	10/08/04	\$15,000
33773	11/18/04	\$35,000
33996	12/16/04	\$15,000
33997	12/21/04	\$40,000
33995	12/23/04	\$35,000
35870	3/16/05	\$40,000
	2/25/05	\$10,000
	3/3/05	\$ 1,500
	TOTAL	\$201,500

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19 SSD and Ratcliffe have each failed to explain the purpose of these withdrawals, which were
20 disbursed to SSD's general business account. On May 12, 2005, a check for \$190,000 was
21 deposited to the trust account to reimburse the check withdrawals.

22 V. Irreparable Harm

23 The Department finds that the public interest will be irreparably harmed by delay in
24 issuing an order.

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

2 **CONCLUSIONS OF LAW**

3 1. The conduct described in paragraph II of the Tentative Findings of Fact constitutes an
4 escrow transaction under RCW 18.44.011.

5 2. As described in paragraphs I through III of the Tentative Findings of Fact, SSD and
6 Ratcliffe have each violated RCW 18.44.021 because SSD and Ratcliffe have engaged in
7 business as, and performed functions of, an escrow agent in the State of Washington without a
8 valid license issued by the Director of the Department of Financial Institutions.
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10 3. As described in paragraph IV of the Tentative Findings of Fact, SSD and Ratcliffe
11 have each violated RCW 18.44.301(5), RCW 18.44.301(6) and/or RCW 18.44.301(8) by
12 knowingly receiving or taking possession for personal use of any property of any escrow
13 business, other than in payment authorized by this chapter, and with intent to defraud, omitting to
14 make a full and true entry thereof in the books and accounts of the business; by omitting to make
15 material entries in SSD's books and accounts; and/or by willfully failing to make any proper
16 entry in the books of the escrow business as required by law.

17 4. As described in paragraph IV of the Tentative Findings of Fact, SSD and Ratcliffe
18 have each violated RCW 18.44.400(1) by failing to keep adequate records of all transactions
19 handled, including itemization of all disbursements.
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21 5. As described in paragraph IV of the Tentative Findings of Fact, SSD and Ratcliffe
22 have each violated RCW 18.44.430(1)(i) by committing acts or engaging in conduct that
23 demonstrates the applicant to be incompetent or untrustworthy, or a source of injury and loss to
24 the public.
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1 It is further ORDERED that Signed, Sealed & Delivered, Inc. and Joyce Feeley Ratcliffe,
2 with regard to all uncompleted escrow agreements entered into by Signed, Sealed & Delivered,
3 Inc. prior to the date of entry of this Order, shall forthwith complete performance of the escrow
4 agreement or after appropriate notice to the parties to the escrow agreement transfer the escrow
5 agreement to a successor escrow agent duly licensed or lawfully able to conduct escrow
6 functions under RCW 18.44.021.

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8 **CONTINUING INVESTIGATION**

9 The Department is continuing to investigate the practices of the Respondents and any of
10 their principals, employees and agents to determine the full extent of the violations of the Escrow
11 Agent Registration Act that have occurred in this matter.

12 **NOTICE OF INTENT TO DENY ESCROW LICENSES**

13 Based on the foregoing, pursuant to RCW 18.44.430, the Department intends to enter an
14 order denying Signed, Sealed & Delivered, Inc.'s application for an escrow agent license and
15 denying Joyce Feeley Ratcliffe's application to serve as its designated escrow officer.

16 **NOTICE OF INTENT TO IMPOSE FINES**

17 Based on the foregoing, pursuant to RCW 18.44.430, the Department intends to order
18 that Signed, Sealed & Delivered, Inc., and Joyce Feeley Ratcliffe be jointly and severally liable
19 for and pay to the Department a fine in the amount of \$25,000.

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21 **NOTICE OF INTENT TO PROHIBIT PARTICIPATION IN THE LICENSED ESCROW
INDUSTRY**

22 Based on the foregoing, pursuant to RCW 18.44.400, RCW 18.44.430 and RCW
23 18.44.440, and based on the Department's findings and conclusions that Signed, Sealed &
24 Delivered, Inc. and Joyce Feeley Ratcliffe have each violated the Escrow Agent Registration
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1 Act, the Department intends to order that Joyce Feeley Ratcliffe be prohibited from participating
2 in the conduct of the affairs of any licensed escrow agent.

3 **AUTHORITY AND PROCEDURE**

4 This order is entered pursuant to the provisions of RCW 18.44 and is subject to the
5 provisions of RCW 34.05. The Respondents, Signed, Sealed & Delivered, Inc., and Joyce
6 Feeley Ratcliffe, may each make a written request for a hearing as set forth in the NOTICE OF
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 order.
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10 If a respondent does not make a timely hearing request, the Department intends to adopt
11 the above Tentative Findings of Fact and Conclusions of Law as final, to enter a permanent order
12 to cease and desist against that respondent, to require monthly reconciliations, to deny escrow
13 licenses, to impose the fines sought, and to prohibit the participation of the respondent in the
14 licensed escrow industry.

15 Dated this 8th day of June, 2005

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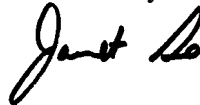
18 MICHAEL E. STEVENSON
19 Division Director

20 Approved by:

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22 

23
24 Martin Cordell
25 Chief of Enforcement

Presented by:



Janet So
Financial Legal Examiner