

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

In The Matter Of:)
) No. C-02-214-03-TO01
)
WASHINGTON ONE STOP, INC., and)
) TEMPORARY ORDER TO
6 Scott Anderson, Designated Escrow Officer,)
) CEASE AND DESIST
)
7 Respondents.)
)
8 _____)

9 THE STATE OF WASHINGTON TO: Washington One Stop, Inc.
2501 152nd Ave NE
10 Redmond WA 98052
11 AND TO: Scott Anderson, Designated Escrow Officer
2501 152nd Ave NE
12 Redmond WA 98052
13 AND TO: Scott Anderson
14 5327 Village Park Dr S #2143
Bellevue WA 98008

15 COMES NOW the Director, by and through her designee, and finding that the public is likely
16 to be substantially injured by delay in issuing a cease and desist order, the Director, through her
17 designee, enters this temporary cease and desist order pursuant to chapter 18.44 RCW and RCW
18 18.44.440, based on the following findings:

19 I. BACKGROUND AND FINDINGS

20 A. Washington One Stop, Inc. (One Stop) is licensed by the Washington Department of
21 Financial Institutions (Department) as an escrow agent at 2501 152nd Ave NE, Redmond, WA 98052.
22 One Stop's license number is 540-EA-18737.

23 B. Scott Anderson is licensed with the Department as the designated escrow officer
24 (DEO) for One Stop. Scott Anderson was initially licensed as the DEO for One Stop on March 12,
25
26

1 1999, license number 21171. His licensed is currently expired and subject to cancellation in March
2 2004.

3 C. The Department has reason to believe, based upon its investigation findings, that
4 the escrow trust account is missing funds and is not reconciled. The Department also has reason
5 to believe that the escrow trust account does not contain sufficient funds to cover outstanding
6 obligations.

7 On or about March 5, 2003, Respondents converted \$74,862.91 from the escrow
8 trust account to another account. Subsequently, between March 5, 2003, and March 20, 2003,
9 Respondents disbursed about \$52,000.00 from this other account to their own benefit.
10

11 **II. GROUNDS FOR ENTRY OF ORDER**

12 A. RCW 18.44.021. Registration – Required – Exceptions.

13 It shall be unlawful for any person to engage in business as an escrow agent by performing
14 escrows or any of the functions of an escrow agent as described in RCW 18.44.011(4) within
15 this state or with respect to transactions that involve personal property or real property
16 located in this state unless such person possesses a valid license issued by the director
pursuant to this chapter.

17
18 B. RCW 18.44.400. Records and accounts – Segregation and disbursements of funds –
Violation of section, penalties.

19 (1) Every licensed escrow agent shall keep adequate records, as determined by rule by the
20 director, of all transactions handled by or through the agent including itemization of all
21 receipts and disbursements of each transaction. These records shall be maintained in this
22 state, unless otherwise approved by the director, for a period of six years from
completion of the transaction. These records shall be open to inspection by the director
or the director's authorized representatives.

23 (2) Every licensed escrow agent shall keep separate escrow fund accounts as determined
24 by rule by the director in recognized Washington state depositories authorized to receive
25 funds, in which shall be kept separate and apart and segregated from the agent's own
26 funds, all funds or moneys of clients which are being held by the agent pending the
closing of a transaction and such funds shall be deposited not later than the first banking
day following receipt thereof.

1 (3) An escrow agent, unless exempted by RCW 18.44.021(2), shall not make
2 disbursements on any escrow account without first receiving deposits directly relating to
3 the account in amounts at least equal to the disbursements. An escrow agent shall not
4 make disbursements until the next business day after the business day on which the funds
5 are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a
6 form that permits conversion of the deposit to cash on the same day the deposit is made.
7 The deposits shall be in one of the following forms:

- 8 (a) Cash;
- 9 (b) Interbank electronic transfers such that the funds are unconditionally received
10 by the escrow agent or the agent's depository;
- 11 (c) Checks, negotiable orders of withdrawal, money orders, cashier's checks, and
12 certified checks that are payable in Washington state and drawn on financial
13 institutions located in Washington state;
- 14 (d) Checks, negotiable orders of withdrawal, money orders, and any other item
15 that has been finally paid as described in RCW 62A.4-213 before any
16 disbursement; or
- 17 (e) Any depository check, including any cashier's check, certified check, or
18 teller's check, which is governed by the provisions of the federal expedited funds
19 availability act, 12 U.S.C. Sec. 4001 et seq.

20 (4) For purposes of this section, the word "item" means any instrument for the payment
21 of money even though it is not negotiable, but does not include money.

22 (5) Violation of this section shall subject an escrow agent to penalties as prescribed in
23 Title 9A RCW and remedies as provided in chapter 19.86 RCW and shall constitute
24 grounds for suspension or revocation of the license of any licensed escrow agent or
25 licensed escrow officer. In addition, an escrow agent who is required to be licensed under
26 this chapter and who violates this section or an individual who is required to be licensed
as an escrow officer under this chapter and who violates this section, may be subject to
penalties as prescribed in RCW 18.44.430.

19 D. RCW 18.44.440. Violations – Cease and desist orders.

20 If the director determines after notice and hearing that a person has:

- 21 (1) Violated any provision of this chapter; or
- 22 (2) Directly, or through an agent or employee, engaged in any false, unfair and deceptive,
or misleading:

- 23 (a) Advertising or promotional activity; or
- 24 (b) Business practices; or

25 (3) Violated any lawful order or rule of the director; the director may issue an order
26 requiring the person to cease and desist from the unlawful practice and to take such
affirmative action as in the judgment of the director will carry out the purposes of this

1 chapter. If the director makes a finding of fact in writing that the public interest will be
2 irreparably harmed by delay in issuing an order, the director may issue a temporary cease
3 and desist order. Every temporary cease and desist order shall include in its terms a
4 provision that upon request a hearing will be held to determine whether or not the order
5 becomes permanent.

6 **III. ORDER**

7 A. Respondents are to immediately cease and desist from making any deposits into
8 or disbursements from any bank accounts holding any funds belonging to, or transferred from,
9 the Washington One Stop, Inc. escrow trust account(s) or any accounts controlled by, connected
10 to, or handled by Washington One Stop, Inc. or any company owned by, controlled by, related
11 to, or connected to Washington One Stop, Inc. This order includes, but is not limited to the
12 Washington One Stop, Inc. escrow trust account as well as the accounts identified above, and
13 covers all periods of time in which any disbursements have been made from such escrow trust
14 account(s). This order to cease and desist from making any deposits or disbursements shall
15 remain in effect unless otherwise directed by the Department in writing.

16 B. Respondents are to immediately cease and desist from all escrow activity as
17 defined in chapter 18.44 RCW, the Escrow Agent Registration Act, from all locations. This
18 order to cease and desist from escrow activity shall remain in effect unless otherwise directed by
19 the Department in writing.

20 C. Respondents are to immediately provide to the Department all records for
21 Washington One Stop, Inc. which have not otherwise been seized by the Federal Bureau of
22 Investigation and make these records available for the Department's inspection. Respondent
23 Scott Anderson is to immediately make available to the Department for inspection all accounts
24 under his control, including, but not limited to the accounts discussed within this order.

25 D. Based on the findings as related above, and the significant danger that Scott Anderson
26 will continue to disburse funds, the Director finds that the public interest will be irreparably harmed

1 by delay in issuing an order and therefore enters this temporary cease and desist order as authorized
2 pursuant to RCW 18.44.440.

3 E. This order shall take effect immediately.
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5 NOTICE

6 YOU ARE ENTITLED TO A HEARING PURSUANT TO CHAPTER 18.44 RCW TO
7 DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU DESIRE
8 A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR
9 ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE
10 TO COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING
11 FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS
12 WITHIN TWENTY (20) DAYS OF THE DATE THAT THIS ORDER WAS SERVED ON YOU
13 WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO
14 A HEARING. SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL, POSTAGE
15 PREPAID, TO YOUR LAST KNOWN ADDRESS OR PERSONAL SERVICE. BE ADVISED
16 THAT DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING
17 PERMANENT ON THE TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS
18 ORDER UPON YOU.

19
20 DATED this 16th day of May, 2003.

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22 /S/
23 MARK THOMSON
24 Director, Division of Consumer Services
25 Department of Financial Institutions
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