

# Terms Completed

## ORDER SUMMARY – Case Number: C-08-079

**Name(s):** National TitleNet LLC

**Order Number:** C-08-079-08-CO01

**Effective Date:** January 26, 2009

**License Number:** n/a

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
If applicable, you must specifically note the ending dates of terms.

**License Effect:** n/a

**Not Apply Until:** n/a

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** n/a

<b>Investigation Costs</b>	\$625	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1.26.09
<b>Fine</b>	\$10,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1.26.09
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** SOC & CO will not affect future licensing

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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-08-079-08-CO01

NATIONAL TITLENET, LLC,  
Respondents.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and National TitleNet, LLC (hereinafter Respondent), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 18.44 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-079-08-SC01 (Statement of Charges), entered May 12, 2008, (copy attached hereto). Pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

1           A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the  
2 activities discussed herein.

3           B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing  
4 before an administrative law judge, and that Respondent has waived the right to a hearing and any and all  
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

6           C. **License Application.** It is AGREED that this action will not affect Respondent's ability to obtain an  
7 escrow agent license from the Department, should Respondent apply. The Department will process Respondent's  
8 application in due course once it is received.

9           D. **Cease and Desist.** It is AGREED that Respondent will not conduct any escrow services for  
10 Washington properties or consumers without first obtaining a Washington escrow agent license.

11           E. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$10,000, in the form of a  
12 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

13           F. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee  
14 of \$625, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
15 Consent Order. The investigation fee and fine may be paid together in one cashier's check made payable to the  
16 "Washington State Treasurer."

17           G. **Authority to Execute Order.** It is AGREED that the undersigned has represented and warranted that  
18 he has the full power and right to execute this Consent Order on behalf of the parties represented.

19           H. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide  
20 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the  
21 event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in  
22 pursuing such action, including, but not limited to, attorney fees.

23           I. **Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this Consent  
24 Order, which is effective when signed by the Director's designee.


25

1 J. Completely Read, Understood, and Agreed. It is AGREED that Respondent has read this Consent  
2 Order in its entirety and fully understands and agrees to all of the same.

3 **RESPONDENT:**

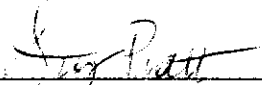
4 **National TitleNet, LLC**

5 By:

6 

7 Name: Michael R. Hooper  
Title(s): General Counsel

1/23/08  
Date

8 

9 Gregory T. Pratt  
Attorney at Law  
10 Attorney for Respondents

1/23/08  
Date

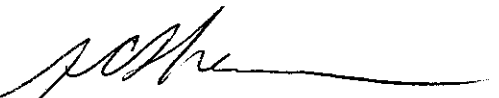
11 DO NOT WRITE BELOW THIS LINE

12 THIS ORDER ENTERED THIS 26<sup>th</sup> DAY OF January, 2009.

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15 DEBORAH BORTNER  
16 Director  
17 Division of Consumer Services  
18 Department of Financial Institutions

18 Presented by:

19 

20 STEVEN C. SHERMAN  
21 Financial Legal Examiner

22 Approved by:

23 

24 JAMES R. BRUSSELBACK  
25 Enforcement Chief



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3 **STATE OF WASHINGTON**  
4 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
5 **DIVISION OF CONSUMER SERVICES**

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

10 NATIONAL TITLENET, LLC,  
11  
12 Respondent.

NO. C-08-079-08-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO PROHIBIT FROM  
INDUSTRY, IMPOSE FINE, AND COLLECT  
INVESTIGATION FEE

13 **INTRODUCTION**

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

20 **I. FACTUAL ALLEGATIONS**

21 **1.1 Respondent. National TitleNet, LLC (Respondent)** is a title and escrow company located at  
22 5212 Tennyson Parkway, Suite 110, Plano, Texas. Respondent has never been licensed by the  
23 Department of Financial Institutions of the State of Washington (Department) to conduct business as  
24 an escrow agent in the State of Washington.

25 **1.2 Unlicensed Activity.** In September 2007, the Department conducted a routine examination of  
the books and records of consumer loan licensee MorEquity, Inc. During the course of the  
examination, the Department discovered that Respondent had performed escrow services for at least

1 twenty Washington residential mortgage loans between May 1, 2007, and September 30, 2007. At all  
2 times relevant to this Statement of Charges, Respondent was not licensed in Washington to perform  
3 escrow functions and was not registered with the Washington Office of the Insurance Commissioner  
4 as a title company. In response to the Department's Subpoena requiring production of a list of all  
5 Washington properties for which Respondent perform escrow or settlement services, Respondent  
6 provided a list of eighty such properties. Respondent reported receiving approximately \$48,998.50 in  
7 total fees for those loans.

8  
9 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
10 Respondent continues to date.

## 11 II. GROUNDS FOR ENTRY OF ORDER

12 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(4), "Escrow" means any transaction wherein  
13 any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer,  
14 encumbrance, or lease of real or personal property to another person or persons, delivers any written  
15 instrument, money, evidence of title to real or personal property, or other thing of value to a third  
16 person to be held by such third person until the happening of a specified event or the performance of a  
17 prescribed condition or conditions, when it is then to be delivered by such third person, in compliance  
18 with instructions under which he or she is to act, to a grantee, grantor, promisee, promisor, obligee,  
19 obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

20  
21 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(6) "Escrow Agent" means any person  
22 engaged in the business of performing for compensation the duties of the third person referred to in  
23 RCW 18.44.011(4).

24 **2.3 Requirement to Obtain and Maintain License.** Based on the factual allegations set forth in  
25 Section I above, Respondent is in apparent violation of RCW 18.44.021 for engaging in business as an

1 escrow agent by performing escrows or any of the functions of an escrow agent within this state or  
2 with respect to transactions that involve personal property or real property located in this state without  
3 first obtaining a license.

### 4 III. AUTHORITY TO IMPOSE SANCTIONS

5 **3.1 Authority to Impose Fines.** Pursuant to RCW 18.44.430(3) and WAC 208-680G-040(3), in  
6 addition to or in lieu of license denial the Director may impose a fine of up to \$100 per day for each day's  
7 violation of the Act.

8 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680G-050,  
9 the expense of an investigation pursuant to WAC 208-680G-020 shall be borne by the entity which is the  
10 subject of the investigation.  
11

### 12 IV. NOTICE OF INTENTION TO ENTER ORDER

13 Respondent's violation of the provisions of chapter 18.44 RCW as set forth in the above Factual  
14 Allegations and Grounds For Entry Of Order constitute a basis for the entry of an Order under RCW  
15 18.44.410, RCW 18.44.430, RCW 18.44.301, and WAC 208-680G-030 which authorize the Director to  
16 enforce all laws, rules, and regulations related to the registration of escrow agents and licensing of escrow  
17 officers. Therefore, it is the Director's intention to ORDER that:

18 **4.1** That Respondent National TitleNet, LLC, pay a fine in the amount of \$20,000; and

19 **4.2** That Respondent National TitleNet, LLC, pay an investigation fee in the amount of \$625  
20 calculated at \$62.50 per hour for ten (10) total staff hours devoted to the investigation to date; and

21 **4.3** That Respondent National TitleNet, LLC, be prohibited from conducting any escrow business for  
22 consumers or property in the State of Washington without first obtaining a license to do so; and

23 **4.4** That Respondent National TitleNet, LLC, its officers, employees, and agents maintain all records  
24 involving Washington escrow transactions for a minimum of six (6) years following the closing or  
25 termination of the escrow transaction.

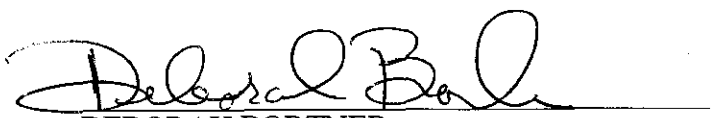
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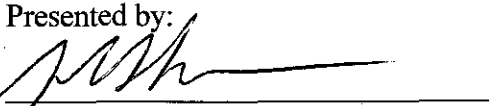
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**V. AUTHORITY AND PROCEDURE**


This Statement of Charges and Notice of Intent to Impose Fine and Collect Investigation Fee is entered pursuant to the provisions of RCW 18.44.410 and RCW 18.44.430, and is subject to the provisions of chapter 34.05 RCW. Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges and Notice of Intent to Impose Fine and Collect Investigation Fee.

DATED this 12<sup>th</sup> day of May, 2008.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:  
  
STEVEN C. SHERMAN  
Financial Legal Examiner



Approved by:  
  
JAMES BRUSSELBACK  
Enforcement Chief