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**DEPT. OF FINANCIAL INSTITUTIONS
OLYMPIA, WASHINGTON**

**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 by:

No.: C-10-453-11-CO01

CONSENT ORDER

COAST CITIES ESCROW,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Coast Cities Escrow (Respondent), and finding that the issues raised in the above-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 the 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-10-453-11-SC01(Statement of Charges), entered March 30, 2011, (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.

Based upon the foregoing:

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waives its 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
6 herein. Accordingly, Respondent, by the signatures of its representatives below, withdraws its appeal
7 to the Office of Administrative Hearings.

8 C. **Cease and Desist.** It is AGREED that Respondent has ceased and desisted performing
9 escrow services in the state of Washington or related to property located in the state of Washington
10 until such time as Respondent obtains a license from the Department.

11 D. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
12 \$7,000 in the form of a cashier's check made payable to the "Washington State Treasurer," upon
13 entry of this Consent Order.

14 E. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
15 investigation fee of \$900 in the form of a cashier's check made payable to the "Washington State
16 Treasurer," upon entry of this Consent Order. The fine and investigation fee may be paid together in
17 one cashier's check made payable to the "Washington State Treasurer."

18 F. **Records Retention.** It is AGREED that Respondent, its officers, employees, and agents
19 shall maintain records in compliance with the Act and provide the Director with the location of the
20 books, records and other information relating to Respondent's escrow agent business, and the name,
21 address and telephone number of the individual responsible for maintenance of such records in
22 compliance with the Act.

1 **G. Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the
3 parties represented.

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


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

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

12 **RESPONDENT:**

13 **COAST CITIES ESCROW**

14 By:

15 

16 Dee Anna Pope
17 General Manager and Vice President

18 6-10-11

19 Date

20 //

21 //

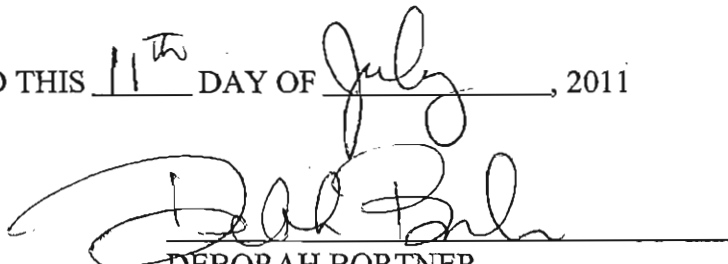
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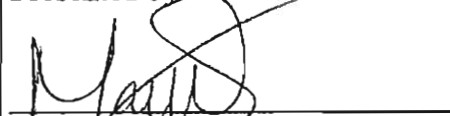
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THIS ORDER ENTERED THIS 11th DAY OF July, 2011



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



MARNIE SHEERAN
Financial Legal Examiner

Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief



1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Escrow Agent Registration Act of Washington by:
7
8 COAST CITIES ESCROW,
9
10 Respondent.

No.: C-10-453-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
AND MAINTAIN RECORDS

7 **INTRODUCTION**

8 Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions of the
9 State of Washington (Director) is responsible for the administration of chapter 18.44 RCW, the
10 Escrow Agent Registration Act (Act). After having conducted an investigation pursuant to RCW
11 18.44.420 and WAC 208-680G-020, and based upon the facts available as of the date of this
12 Statement of Charges, the Director, through his designee, Division of Consumer Services Director
13 Deborah Bortner, institutes this proceeding and finds as follows:

14 **I. FACTUAL ALLEGATIONS**

15 **1.1 Respondent Coast Cities Escrow (Respondent)** is headquartered at 3150 Bristol Street,
16 Suite 500, Costa Mesa, California 92626. Respondent has never been licensed by the Department of
17 Financial Institutions of the state of Washington (Department) to conduct business as an escrow agent
18 in the state of Washington.

19 **1.2 Unlicensed Activity.** Between at least August 1, 2008, and the present, Respondent
20 performed escrow functions in at least seven Washington mortgage loan transactions. Respondent
21 received fees totaling at least \$4,813 for these escrow services. Respondent did not have an Escrow
22 Agent, Designated Escrow Officer, or Escrow Officer license issued by the Department during any of
23 the time in question.

1 **1.3 Failure to Comply with Department Directives.** On or about December 9, 2009, the
2 Department issued a subpoena to Respondent requiring Respondent to provide various documents
3 and information to the Department within fifteen days of the date of the subpoena. The subpoena
4 was served on Respondent via Federal Express overnight delivery on December 10, 2009.
5 Respondent did not respond.

6 **1.4** On or about January 13, 2010, the Department sent another subpoena to Respondent via the
7 United States Postal Service First-Class mail (First-class mail). The First-Class mail was not returned
8 to the Department. Respondent did not respond.

9 **1.5** On or about December 16, 2010, a Department representative contacted Respondent's
10 attorney by telephone. Respondent's attorney reported that she was aware of the subpoena and would
11 submit the required materials to the Department immediately. No response to the subpoena has been
12 received by the Department.

13 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
14 Act by Respondent continues to date.

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

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

1 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(6) "Escrow Agent" means any
2 person engaged in the business of performing for compensation the duties of the third person referred
3 to in RCW 18.44.011(4).

4 **2.3 Requirement to Obtain and Maintain License.** Based on Factual Allegations set forth in
5 Section I above, Respondent is in apparent violation of RCW 18.44.021, RCW 18.44.070, RCW
6 18.44.101 and RCW 18.44.171 for engaging in the business of an escrow agent without a license or
7 designated escrow officer.

8 **2.4 Requirement to Comply with Department Directives.** Based on the Factual Allegations set
9 forth in Section I above, Respondent is in apparent violation of RCW 18.44.420 for failing to comply
10 with a subpoena issued by the Director or his designee.

11 **2.5 Requirement to Maintain Records in the State of Washington.** Based on the Factual
12 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 18.44.400 and
13 WAC 208-680D-030 for failing to maintain transaction records in the state of Washington for a
14 period of six years from completion of the transaction.

15 III. AUTHORITY TO IMPOSE SANCTIONS

16 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440 and WAC
17 208-680G-030, if the Director determines after notice and hearing that a person has: violated any
18 provision of the Act; or engaged in any false, unfair and deceptive, or misleading advertising or
19 promotional activity or business practices; the director may issue an order requiring the person to
20 cease and desist from the unlawful practice and to take such affirmative action as in the judgment of
21 the director will carry out the purposes of the Act.

1 **3.2 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3) and WAC 208-680G-040(3), in
2 addition to or in lieu of license denial the Director may impose a fine up to \$100 per day for each
3 day's violation of the Act.

4 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680G-
5 050, the expense of an investigation pursuant to WAC 208-680G-020 shall be borne by the entity
6 which is the subject of the investigation.

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

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

14 **4.1** Respondent Coast Cities Escrow cease and desist from performing escrow services in the state
15 of Washington or related to property located in the state of Washington until such time as
16 Respondent Coast Cities Escrow obtains a license from the Department to provide escrow
services in the state of Washington or meets an exclusion from licensing as delineated in the
Act.

17 **4.2** Respondent Coast Cities Escrow pay a fine, which as of the date of this Statement of Charges
totals \$12,000.

18 **4.3** Respondent Coast Cities Escrow pay an investigation fee, which as of the date of this
19 Statement of Charges totals \$687.50, calculated at \$62.50 per hour for eleven (11) staff hours
20 devoted to the investigation to date.

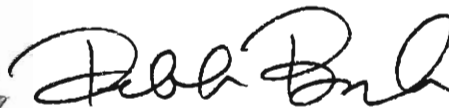
21 **4.4** Respondent Coast Cities Escrow, its officers, employees, and agents maintain all records
22 involving Washington State escrow transactions within the state of Washington for a period of
23 six years from completion of the escrow transactions.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist,
3 Impose Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges) is entered
4 pursuant to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject
5 to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make
6 a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

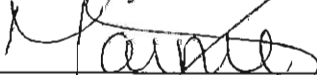
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9 Dated this 30th day of March, 2011



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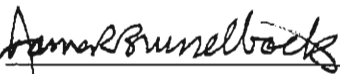
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 

18 MARNIE SHEERAN
19 Financial Legal Examiner

20 Approved by:

21 

22 JAMES R. BRUSSELBACK
23 Enforcement Chief