

Terms Completed

ORDER SUMMARY – Case Number: C-11-0659

Name(s): Market Place Escrow Inc and Sharryn L Hammond

Order Number: C-11-0659-12-CO01

Effective Date: _____

License Number: DFI: 18646

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: _____

Not Apply Until: January 17, 2018

Not Eligible Until: _____

Prohibition/Ban Until: _____

Investigation Costs	\$1,100	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/17/2013
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$431	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/17/2013
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: restitution = \$431 escheated to DOR

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
5 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached
7 herein.

8 C. **Document Production.** It is AGREED that Respondents provided the Department with
9 documents sought in the Statement of Charges.

10 D. **Agreement Not to Apply.** It is agreed that Respondents will not apply for any license
11 under the Escrow Agent Registration Act, RCW 18.44 *et seq.*, for a period of five years.

12 E. **Escheatment of Escrow Funds.** It is AGREED that Respondents shall escheat \$431 as
13 unclaimed property to the Department of Revenue in accordance with RCW 63.29 *et seq.* and shall
14 provide documentation of the escheatment to the Department within 60 days from the entry of this
15 Consent Order.

16 F. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
17 investigation fee of \$1,100 on or before December 1, 2013, and that any amount unpaid on that date
18 will be referred to collections without further notice to Respondents.

19 G. **Change of Address.** It is AGREED that for the duration of the period this Consent Order
20 is in effect, unless otherwise agreed to in writing by the Department, Respondents shall provide the
21 Department with a mailing address and telephone number at which Respondents can be contacted and
22 Respondents shall notify the Department in writing of any changes to Respondents' mailing address
23 or telephone number within fifteen days of any such change.

1 H. **Records Retention.** It is AGREED that Respondent Market Place Escrow, its officers,
2 employees, and agents shall maintain records in compliance with the Act and provide the Director
3 with the location of the books, records and other information relating to Respondent's escrow agent
4 business, and the name, address and telephone number of the individual responsible for maintenance
5 of such records in compliance with the Act.

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

10 J. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
11 entered into this Consent Order, which is effective when signed by the Director's designee.

12 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
13 this Consent Order in its entirety and fully understand and agree to all of the same.

14 **RESPONDENTS:**

15 **Market Place Escrow, Inc.**

16 By:

17 [Redacted Signature]

18 Sharryn Hammond, a/k/a Sharryn Johnson
19 Designated Escrow Agent

17 12-27-2012
Date

19 [Redacted Signature]

20 Sharryn Hammond, a/k/a Sharryn Johnson
21 Individually

20 12-27-2012
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 17th DAY OF January, 2012 ^{3 DB}



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



SHANA L. OLIVER
Financial Legal Examiner

Approved by:



CHARLES E. CLARK
Enforcement Chief

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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:

MARKET PLACE ESCROW, INC.;
SHARRYN HAMMOND, a/k/a SHARRYN
JOHNSON, Designated Escrow Agent,

Respondents.

No.: C-11-0659-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO TAKE AFFIRMATIVE
ACTION, IMPOSE FINE, COLLECT
INVESTIGATION FEE, AND MAINTAIN
RECORDS

INTRODUCTION

Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (Act). After having conducted an investigation pursuant to RCW 18.44.420 and WAC 208-680-620, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1. Respondents.

A. Respondent Market Place Escrow, Inc. (Respondent Market Place Escrow), was headquartered at 723 Avenue D, Suite H, in Snohomish, Washington. Respondent Market Place Escrow was initially licensed with the Washington State Department of Licensing. Pursuant to changes to the Act, responsibility for licensure of escrow agents was transferred to the Department of Financial Institutions (Department) effective July 1, 1995. Respondent Market Place Escrow's license had been renewed with the Department annually through 2007. Respondent Market Place Escrow submitted closure documents to the Department on or about May 11, 2009.

1 **B. Respondent Sharryn Hammond, a/k/a Sharryn Johnson (Respondent Hammond)**

2 was the Designated Escrow Agent for Respondent Market Place Escrow. Respondent Hammond did
3 not renew her Designated Escrow Agent license at the end of 2008. As a result, Respondent
4 Hammond's license was in inactive status at the time Respondent Market Place Escrow was officially
5 closed in May 2009. This inactive license subsequently expired as of December 7, 2009.

6 **2. Failure to Reconcile Trust Account.** On or about May 11, 2009, the Department received
7 Respondent Market Place Escrow's Office Closure Form, which indicated that Respondent Market
8 Place Escrow's effective date of closure was November 1, 2008. On or about August 12, 2009, the
9 Department received Respondent Market Place Escrow's Quarterly Report for the quarter ended June
10 30, 2009. This report, submitted by Respondent Hammond, indicated that there were two
11 outstanding checks from Respondent Market Place Escrow's trust account. These checks totaled
12 \$977.

13 The Consumer Services Examinations Unit sent multiple correspondences to Respondents in
14 August and September 2010, requesting that Respondents file the documents to show that the trust
15 account had been reconciled. These mailings were not returned as "undeliverable" by the United
16 States Postal Service (USPS). A representative from the Examinations Unit made a telephone call to
17 Respondents on or about September 30, 2010, and noted that the number of record had been assumed
18 by another company. As of the date of this Statement of Charges, no records regarding the
19 reconciliation of the trust account have been received by the Department.

20 **3. Failure to Submit Monthly Reports.** Respondents are required to submit monthly reports
21 for Respondent Market Place Escrow's trust account until the account has been reconciled and zeroed
22 out. Since about August 12, 2009, Respondents have not submitted any monthly reports for the trust
23 account, as required by RCW 18.44.201(2) and WAC 208-680-245.

1 **4. Failure to Submit Quarterly Reports.** Respondents are required to submit quarterly reports
2 for Respondent Market Place Escrow’s trust account until the account has been reconciled and zeroed
3 out. Since about August 12, 2009, Respondents have not submitted any quarterly reports for the trust
4 account, as required by RCW 18.44.201(2) and WAC 208-680-425.

5 **5. Failure to Maintain Fidelity Bond and Surety Bond.** On or about June 19, 2009, the
6 fidelity bond covering Respondents expired. On or around August 31, 2009, the Department received
7 notice that the surety bond covering Respondents would cancel effective September 26, 2009. Since
8 the bond allowed for 30-day notice of cancellation, the bond’s actual cancellation date was
9 September 29, 2009. Respondents have not provided any evidence to the Department which shows
10 that the trust account has been properly reconciled.¹ Respondents are required to maintain a fidelity
11 bond and a surety bond (if applicable) as a condition precedent to disbursement of funds from a trust
12 account.

13 **6. Failure to Notify the Department of Change of Address.** On or about September 10, 2005,
14 Respondents informed the Department that the mailing address of record for Respondents was P.O.
15 Box 818, Snohomish, Washington, 98290, and that the address for the records was 723 Avenue D,
16 Suite H, Snohomish, Washington, 98290. On or around December 16, 2010, the Department sent a
17 letter to Respondents at these addresses. Both letters were returned to the Department by the USPS,
18 with the notation “Moved, left no address, unable to forward.”

19 **7. Failure to Respond to Department Requests.** The Department sent two Directives to
20 Respondents’ addresses of record on or around December 16, 2010, which directed Respondents to
21 provide the outstanding monthly and quarterly reconciliations for Respondent Market Place Escrow’s

22 ¹ Respondent Market Place Escrow’s trust account was maintained with First Heritage Bank in Snohomish,
23 Washington, account #3257033567. First Heritage Bank was acquired by Columbia Bank in 2011. A
representative from the Department’s Enforcement unit contacted Columbia Bank on or about September 8,
2011, and was informed that this account had been closed on or about November 5, 2009.

1 trust account. These letters were returned as “undeliverable” by the USPS. The Department located
2 an alternate address for Respondent Hammond: 323 9th Street, Snohomish, Washington, 98290. The
3 Department sent an address verification request to the USPS, requesting that it confirm delivery of
4 mail to 323 9th Street, Snohomish, Washington, 98290. On or about September 14, 2011, the
5 Department received the form from the USPS, which indicated “mail is delivered to address given”.
6 On or about September 16, 2011, the Department sent a copy of the December 16, 2010, Directive to
7 Respondent Hammond’s address, 323 9th Street, Snohomish, Washington, 98290, requiring
8 Respondents to submit the items listed in paragraphs 3 and 4 of this Statement of Charges.
9 Additionally, the Directive required Respondents to provide proof of fidelity bond (and surety bond,
10 if applicable), if the trust account still contained undisbursed funds.

11 Respondent Hammond contacted the Department on or about September 19, 2011. On or about
12 November 4, 2011, Respondent Hammond provided bank statements for Respondent Market Place
13 Escrow’s trust account, which showed a zero balance as of September 31, 2009. However, none of
14 the reports listed in the Department’s Directive were produced. On or about November 9, 2011, the
15 Department clarified with Respondent Hammond which documents Respondents were required to
16 provide to the Department. As of the date of this Statement of Charges, Respondents have not
17 contacted the Department again, nor have Respondents provided the documents listed in the
18 Directive.

19 **8. On-Going Investigation.** The Department’s investigation into the alleged violations of the
20 Act by Respondents continues to date.

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

2 **2.1 Requirement to File Monthly Reports.** Based on the Factual Allegations set forth in
3 Section I above, Respondents are in apparent violation of RCW 18.44.430 and WAC 208-680-245(5),
4 for failing to file a report concerning its operations and trust account administration and
5 reconciliation within 30 days following the end of the preceding month.

6 **2.2 Requirement to File Quarterly Reports.** Based on the Factual Allegations set forth in
7 Section I above, Respondents are in apparent violation of RCW 18.44.430 and WAC 208-680-425,
8 for failing to file a report concerning its operations and trust account administration and
9 reconciliation within 30 days following the end of each fiscal quarter.

10 **2.3 Requirement to Maintain Records.** Based on the Factual Allegations set forth in Section I
11 above, Respondents are in apparent violation of RCW 18.44.400(1) for failing to maintain records
12 and provide them for inspection to the Department Director or the Director's authorized
13 representatives.

14 **2.4 Requirement to Notify the Department of Changes to the Records Custodian and**
15 **Location of the Records.** Based on the Factual Allegations set forth in Section I above,
16 Respondents are in apparent violation of RCW 18.44.400 and WAC 208-680-530(7) for failing to
17 notify the Department of the identity of the records custodian and the physical location of the records
18 following the closure of Respondents' business.

19 **2.5 Requirement to Respond to Department's Investigative Authority.** Based on the Factual
20 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.430 for
21 failing, upon demand, to disclose information within his or her knowledge to, or to produce any
22 document, book, or record in his or her possession for inspection of, the director or his authorized
23 representative.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Take Affirmative Action.** Pursuant to RCW 18.44.420 and WAC 208-680-
3 630(1), the Director may require affirmative action to comply with the provisions of the Act.

4 **3.2 Authority to Impose Fines.** Pursuant to RCW 18.44.430(3) and WAC 208-680-640(1)(d), in
5 addition to or in lieu of license denial, the Director may impose a fine of up to \$100 per day for each
6 day's violation of the Act.

7 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680-
8 650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by the entity
9 which is the subject of the investigation.

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

11 Respondents' violations of the provisions of chapter 18.44 RCW as set forth in the above
12 Factual Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under
13 RCW 18.44.400, RCW 18.44.410, RCW 18.44.430, RCW 18.44.440 and WAC 208-680-630, which
14 authorize the Director to enforce all laws, rules, and regulations related to the registration of escrow
15 agents and licensing of escrow officers. Therefore, it is the Director's intention to ORDER that:

16 **4.1** Respondents Market Place Escrow, Inc., and Sharryn Hammond produce the documents
17 required by the Department's Directive, dated September 15, 2011.

18 **4.2** Respondents Market Place Escrow, Inc., and Sharryn Hammond jointly and severally pay a
fine. As of the date of this Statement of Charges, the fine totals \$9,000.

19 **4.3** Respondents Market Place Escrow, Inc., and Sharryn Hammond jointly and severally pay an
20 investigation fee. As of the date of this Statement of Charges, the investigation fee totals
\$1,184.38, calculated at \$62.50 per hour for 18.95 staff hours.

21 **4.4** Respondent Market Place Escrow, Inc., its officers, employees, and agents maintain all
22 records involving Washington State escrow transactions within the state of Washington for a
period of 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 Take Affirmative
3 Action, Impose Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges) is
4 entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is
5 subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents
6 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
7 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

8
9 Dated this 20th day of March, 2012.



10 [Redacted signature]

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

15 Presented by:

[Redacted signature]

16 SHANA L. OLIVER
17 Financial Legal Examiner

18 Approved by:

[Redacted signature]

19 JAMES R. BRUSSELBACK
20 Enforcement Chief