

## ORDER SUMMARY – Case Number: C-11-0756

**Name(s):** Par Escrow Corporation, Thomas W. Hinson  
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**Order Number:** C-11-0756-13-FO01  
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**Effective Date:** 2/12/2013  
 \_\_\_\_\_

**License Number:** none  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:**  
 \_\_\_\_\_  
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**Not Apply Until:**  
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**Not Eligible Until:**  
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**Prohibition/Ban Until:** February 12, 2018  
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<b>Investigation Costs</b>	\$603	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$25,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<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:**  
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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 PAR ESCROW CORPORATION, and  
9 THOMAS W. HINSON, President,  
10  
11 Respondents.

No.: C-11-0756-13-FO01

FINAL ORDER

8 I. DIRECTOR'S CONSIDERATION

9 A. Procedural History. This matter has come before the Acting Director of the  
10 Department of Financial Institutions of the State of Washington (Acting Director), pursuant to  
11 34.05.464. On July 25, 2012, 2012, the Acting Director, through his designee, Consumer Services  
12 Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an  
13 Order to Cease and Desist, Prohibit from Industry, Impose Fine, Collect Investigation Fee, and  
14 Maintain Records (Statement of Charges) against Par Escrow Corporation and Thomas W. Hinson  
15 (Respondents). A copy of the Statement of Charges is attached and incorporated into this order by  
16 this reference. The Statement of Charges was accompanied by a cover letter dated July 25, 2012, a  
17 Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for  
18 Adjudicative Hearing for each Respondent (collectively, accompanying documents). On August 13,  
19 2012, the Department served Respondents with the Statement of Charges and accompanying  
20 documents by First-Class mail.

21 On August 16, 2012, each Respondent filed an Application for Adjudicative Hearing. On  
22 October 10, 2012, the Department made a request to the Office of Administrative Hearings (OAH) to  
23 assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of

1 Charges. On October 30, 2012, OAH issued a Notice of Conference assigning ALJ Steven C. Smith  
2 to preside over a telephonic prehearing conference on November 29, 2012, at 10:00 a.m. That Notice  
3 stated in relevant part, “You must participate in the conference. If you do not, a default may be  
4 entered. This means you lose the opportunity to further challenge the agency action.” The Notice  
5 was served on Respondents by First-Class mail at the address Respondents provided on each  
6 Application for Adjudicative Hearing.

7 On November 29, 2012, the prehearing conference was convened by ALJ Smith at 10:00 a.m.  
8 Respondents failed to appear and the Department moved for an order of default dismissing the  
9 administrative appeal. On November 29, 2012, ALJ Smith issued an Initial Order of Default  
10 dismissing Respondents’ administrative appeal. On November 29, 2012, ALJ Smith sent the Initial  
11 Order of Default to Respondents by First-Class mail.

12 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of  
13 the Initial Order of Default to file a written motion with OAH requesting that the Initial Order of  
14 Default be vacated, and stating the grounds relied upon. Respondents did not file a written motion  
15 requesting to vacate during the statutory period.

16 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from  
17 the date of service of the Initial Order of Default to file a Petition for Review of the Order.

18 Respondents did not file a Petition for Review during the statutory period.

19 B. Record Presented. The record presented to the Acting Director for his review and for  
20 entry of a final decision included the following:

- 21 1. Statement of Charges, cover letter dated July 25, 2012, Notice of Opportunity to  
22 Defend and Opportunity for Hearing, and a blank Application for Adjudicative  
Hearing for each Respondent, with documentation of service.
- 23 2. Application for Adjudicative Hearing for Par Escrow Corporation.

3. Application for Adjudicative Hearing for Thomas W. Hinson.
4. Notice of Conference dated October 30, 2012, with documentation of service.
5. Initial Order of Default dated November 29, 2012, with documentation of service.

C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Acting Director hereby adopts the Statement of Charges, which is attached hereto.

## II. FINAL ORDER

Based upon the foregoing, and the Acting Director having considered the record and being otherwise fully advised, NOW, THEREFORE:

A. IT IS HEREBY ORDERED, That:

1. Respondents Par Escrow Corporation and Thomas W. Hinson cease and desist from performing escrow services in the state of Washington until such time as Respondents obtain a license from the Department to provide escrow services in the state of Washington or meet an exclusion from licensing as delineated in the Act.
2. Respondent Par Escrow Corporation is prohibited from the participation in the conduct of the affairs of any escrow agent subject to licensure by the Acting Director, in any manner, for a period of five (5) years.
3. Respondent Thomas W. Hinson is prohibited from the participation in the conduct of the affairs of any escrow agent subject to licensure by the Acting Director, in any manner, for a period of five (5) years.
4. Respondents Par Escrow Corporation and Thomas W. Hinson jointly and severally pay a fine of Twenty-Five Thousand Dollars (\$25,000.00) to the Washington State Department of Financial Institutions.
5. Respondents Par Escrow Corporation and Thomas W. Hinson jointly and severally pay an investigation fee of Six Hundred Three Dollars (\$603.00) to the Washington State Department of Financial Institutions.<sup>1</sup>
6. Respondents Par Escrow Corporation and Thomas W. Hinson, their officers, employees, and agents, maintain all records involving Washington State escrow

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<sup>1</sup> The fine and investigation fee may be paid together in the form of a cashier's check in the amount of \$25,603.00 made payable to the "Washington State Treasurer."

1 transactions within the state of Washington for a period of six (6) years from  
2 completion of the escrow transactions.

3 B. Non-Compliance with Order. If any Respondent does not comply with the terms of  
4 this Final Order, including payment of the fine and investigation fee within 30 days of receipt of this  
5 Final Order, the Department may seek enforcement of this Final Order by the Office of the Attorney  
6 General. The Department may also assign the debt to a collection agency.

7 C. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a  
8 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
9 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
10 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
11 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The  
12 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
13 Reconsideration a prerequisite for seeking judicial review in this matter.

14 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the  
15 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a  
16 written notice specifying the date by which it will act on a petition.

17 D. Stay of Order. The Acting Director has determined not to consider a Petition to Stay  
18 the effectiveness of this order. Any such requests should be made in connection with a Petition for  
19 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

20 E. Judicial Review. Respondents have the right to petition the superior court for judicial  
21 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for  
22 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

23 F. Non-compliance with Order. If Respondents do not comply with the terms of this  
24 order, the Department may seek its enforcement by the Office of the Attorney General to include the

1 collection of the fine and fee imposed herein. The Department may also assign the amounts owed to  
2 a collection agency for collection.

3 G. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
4 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
5 attached hereto.

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8 DATED this 12<sup>th</sup> day of February, 2013.

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10 STATE OF WASHINGTON  
11 DEPARTMENT OF FINANCIAL INSTITUTIONS

12 /s/  
13 SCOTT JARVIS  
14 Acting Director  
15 Department of Financial Institutions  
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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:

PAR ESCROW CORPORATION, and  
THOMAS W. HINSON, President,

Respondents.

No.: C-11-0756-12-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO CEASE AND DESIST,  
PROHIBIT FROM INDUSTRY, 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 and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Maintain Records (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**

**1.1 Respondent Par Escrow Corporation (Respondent Par)** is headquartered at 12264 El Camino Real, Suite 400, San Diego, California. Respondent has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent in the state of Washington.

**1.2 Respondent Thomas W. Hinson (Respondent Hinson)** is known to be President of Respondent Par.

1 **1.3 Unlicensed Activity.** Between at least March 12, 2009, and August 25, 2010, Respondents  
2 performed escrow services in at least 34 residential mortgage loan transactions for real property  
3 located in the state of Washington. Respondents received approximately \$18,448.49 as fees for those  
4 escrow services.

5 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
6 Act by Respondents continues to date.

## 7 **II. GROUNDS FOR ENTRY OF ORDER**

8 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(7), "Escrow" means any transaction  
9 wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange,  
10 transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any  
11 written instrument, money, evidence of title to real or personal property, or other thing of value to a  
12 third person to be held by such third person until the happening of a specified event or the  
13 performance of a prescribed condition or conditions, when it is then to be delivered by such third  
14 person, in compliance with instructions under which he or she is to act, to a grantee, grantor,  
15 promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

16 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(8) "Escrow Agent" means any  
17 person engaged in the business of performing for compensation the duties of the third person referred  
18 to in RCW 18.44.011(7).

19 **2.3 Requirement to Obtain and Maintain License.** Based on Factual Allegations set forth in  
20 Section I above, Respondents are in apparent violation of RCW 18.44.021 for engaging in the  
21 business of an escrow agent by performing escrows or any of the functions of an escrow agent within  
22 the state of Washington or with respect to transactions that involve personal property or real property  
23 located in the state of Washington without first obtaining a license.



1 **2.4 Requirement to Maintain Records in the State of Washington.** Based on the Factual  
2 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.400  
3 and WAC 208-680-530 for failing to maintain transaction records in the state of Washington for a  
4 period of six years from completion of the transaction.

### 5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440 and WAC  
7 208-680-630, if the Director determines after notice and hearing that a person has: violated any  
8 provision of the Act; or engaged in any false, unfair and deceptive, or misleading advertising or  
9 promotional activity or business practices; the director may issue an order requiring the person to  
10 cease and desist from the unlawful practice and to take such affirmative action as in the judgment of  
11 the director will carry out the purposes of the Act.

12 **3.2 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3) and WAC 208-680-640, in  
13 addition to or in lieu of license denial the Director may impose a fine up to \$100 per day for each  
14 day's violation of the Act.

15 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680-  
16 650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by the entity  
17 which is the subject of the investigation.

### 18 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

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- 4.1** Respondents Par Escrow Corporation and Thomas W. Hinson cease and desist from performing escrow services in the state of Washington until such time as Respondents obtain a license from the Department to provide escrow services in the state of Washington or meet an exclusion from licensing as delineated in the Act.
- 4.2** Respondent Par Escrow Corporation be prohibited from the participation in the conduct of the affairs of any escrow agent subject to licensure by the Director, in any manner, for a period of five years.
- 4.3** Respondent Thomas W. Hinson be prohibited from the participation in the conduct of the affairs of any escrow agent subject to licensure by the Director, in any manner, for a period of five years.
- 4.4** Respondents Par Escrow Corporation and Thomas W. Hinson jointly and severally pay a fine. As of the date of this Statement of Charges, the fine totals \$25,000.
- 4.5** Respondents Par Escrow Corporation and Thomas W. Hinson jointly and severally pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$603.
- 4.6** Respondents Par Escrow Corporation and Thomas W. Hinson, their officers, employees, and agents, maintain all 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 is entered pursuant to the provisions of RCW 18.44.410, RCW  
3 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (The  
4 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in  
5 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
6 accompanying this Statement of Charges.

7  
8 Dated this 25<sup>th</sup> day of July, 2012



9 [Redacted signature]

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

14 Presented by:

[Redacted signature]

15 KENNETH J. SUGIMOTO  
16 Financial Legal Examiner

17 Approved by:

[Redacted signature]

18 CHARLES E. CLARK  
19 Enforcement Chief