

ORDER SUMMARY – Case Number: C-11-0832

Name(s): Pauline Weber

Order Number: C-11-0832-13-CO01

Effective Date: September 10, 2014

License Number: 540-EA-21119 (expired)
Or NMLS Identifier [U/L] _____

License Effect: Expired

Not Apply Until: September 10, 2024

Not Eligible Until: September 10, 2024

Prohibition/Ban Until: September 10, 2024

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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: reconciliation of trust account, records to the department, and escheatment of funds within 180 days of entry

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 Respondent Weber has been informed of the
5 right to a hearing before an administrative law judge, and hereby waives her right to a hearing and
6 any and all administrative and judicial review of the issues raised in this matter, or of the resolution
7 reached herein. Accordingly, Respondent Weber, by her signature below, withdraws her appeal to
8 the Office of Administrative Hearings.

9 **C. Escrow Agent License.** It is AGREED that Respondent Weber's Escrow Officer license
10 expired on December 18, 2010, and Respondent Weber does not currently hold an Escrow Officer
11 license.

12 **D. Prohibition from Industry.** It is AGREED that, for a period of 10 years from the date of
13 entry of this Consent Order, Respondent Weber is prohibited from participating, in any capacity, in
14 the conduct of the affairs of any escrow agent licensed by the Department or subject to licensure or
15 regulation by the Department.

16 **E. Declaration of Financial Condition.** It is AGREED that Respondent Weber has
17 provided the Department with a Declaration comprehensively describing her current financial
18 condition.

19 **F. Reconciliation of Trust Account.** It is AGREED that Respondent Weber has reconciled
20 Respondent Main Street Escrow, Inc.'s trust account and will provide final reconciliation records to
21 the Department upon entry of this Consent Order. It is further AGREED that Respondent Weber will
22 issue checks to persons or entities entitled to funds held in escrow, and that any funds which remain
23 to be disbursed shall be escheated to the Department of Revenue in the manner required by chapter
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1 63.29 RCW, the Uniform Unclaimed Property Act, within 180 days of the entry of this Consent
2 Order.

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

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

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

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13 **RESPONDENT:**
14 **PAULINE WEBER**

15 
16 Pauline Weber
17 Individually

18 2-18-14
19 Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 10th DAY OF September, 2014



[Redacted signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted signature]

SHANA L. OLIVER
Financial Legal Examiner

Approved by:

[Redacted signature]

CHARLES E. CLARK
Enforcement Chief

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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

MAIN STREET ESCROW, INC., and
PAULINE WEBER, Designated Escrow Officer,

Respondents.

No.: C-11-0832-13-SC01

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

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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:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Respondent Main Street Escrow, Inc. (Respondent Main Street Escrow) was licensed by
the Department of Financial Institutions (Department) to conduct business as an Escrow Agent on or
about November 9, 1995.¹ Respondent Main Street Escrow ceased operations on or about October
31, 2010, but did not submit closure documents to the Department until on or about February 23,
2011.

¹ Respondent Main Street Escrow had originally been licensed as an Escrow Agent by the Washington State Department
of Licensing, but that authority was transferred to the Department effective July 1, 1995.

1 **B. Respondent Pauline Weber (Respondent Weber)** was the Designated Escrow Officer for
2 Respondent Main Street Escrow at all times relevant to this Statement of Charges. Respondent
3 Weber's license expired as of December 18, 2010.

4 **1.2 Examination.** On or about March 14, 2011, the Department conducted a post-closure
5 examination of Respondent Main Street Escrow. The scope of the examination included analysis,
6 inquiry, and testing of Respondent Main Street Escrow's financial records and escrow records. As a
7 result of the examination, the Department discovered violations of the Act as follows:

8 **A. Failure to Notify the Department of Office Closure.** Respondents did not notify the
9 Department of the closure of Respondent Main Street Escrow within 24 hours of closure. In addition,
10 Respondents did not deliver all original licenses to the Department within 5 working days from office
11 closure.

12 **B. Failure to Maintain Fidelity Bond and Surety Bond.** Respondent Main Street Escrow's
13 fidelity and surety bonds cancelled effective March 1, 2011. As of March 14, 2011, Respondent
14 Main Street Escrow's trust account had a balance of \$64,805.66. Respondent submitted another trust
15 account statement to the Department dated April 30, 2011, which showed a balance of \$3,480.64.

16 **C. Failure to Submit Monthly Reports.** Respondents are required to submit monthly reports
17 for Respondent Main Street Escrow's trust account until the account has been reconciled and zeroed
18 out. Since about April 30, 2011, Respondents have not submitted any monthly reports for the trust
19 account.

20 **D. Failure to Maintain Accurate Records.** Respondent Main Street Escrow's reconciliation
21 records from January 2011 showed twelve bank adjustment items dating from August 2006 through
22 November 2009, and eight system adjustment items from September 2006 to June 2007 that had not
23 been cleared.

1 **E. Failure to Maintain Sufficient Account Balances in the Company Trust Account.**

2 Respondent Main Street Escrow’s reconciliation records from January 2011 showed six overdrawn
3 escrow accounts with an aggregate balance of \$1,063.08.²

4 **1.3 Failure to Pay Examination Fee.** On or about March 22, 2011, the Department sent two
5 invoices to Respondents, one invoice for the examination fee and one invoice for related travel costs,
6 totaling \$1,254.45. Respondents have not paid the examination fee and travel costs. These amounts
7 have been accruing interest since April 30, 2011. As of the date of this Statement of Charges,
8 Respondents owe the Department \$1,547.19.

9 **1.4 Failure to Follow Closing Instructions.** The Department received copies of documents for
10 an escrow transaction performed by Respondents in or around March 2003. The buyer of the
11 property notified the Department that the Deed of Trust had not been recorded by Respondents
12 following the closing of the transaction in 2003. The Department requested information from
13 Respondents regarding this settlement, but Respondents stated that the file had been destroyed in
14 2009 following the expiration of the records retention period. The Department reviewed the “Closing
15 Agreement and Escrow Instructions” signed by Respondent Weber, which instructed Respondents to
16 “record and deliver documents as necessary to close the transaction.” The Department reviewed
17 Yakima County records with an employee of the Yakima County Recorder’s Office and could find no
18 evidence the Respondents recorded the Deed of Trust for this transaction.

19 **1.5 On-Going Investigation.** The Department’s investigation into the alleged violations of the
20 Act by Respondents continues to date.

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23 ² During the examination, Respondent Weber provided documentation to the Department’s examiner showing that the
overdrawn accounts had been cured on or about February 18, 2011.

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

2 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(7), "Escrow" means any transaction
3 wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange,
4 transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any
5 written instrument, money, evidence of title to real or personal property, or other thing of value to a
6 third person to be held by such third person until the happening of a specified event or the
7 performance of a prescribed condition or conditions, when it is then to be delivered by such third
8 person, in compliance with instructions under which he or she is to act, to a grantee, grantor,
9 promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

10 **2.2 Requirement to Notify the Department of Office Closure.** Based on the Factual
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(10)
12 and WAC 208-680-245(2), for failing to notify the Director within twenty-four hours of office
13 closure.

14 **2.3 Requirement to Maintain Fidelity and Surety Bonds.** Based on the Factual Allegations set
15 forth in Section I above, Respondents are in apparent violation of RCW 18.44.201 and WAC 208-
16 680-310(4) for failing to maintain a fidelity bond until the escrow trust account funds have been fully
17 disbursed.

18 **2.4 Requirement to File Monthly Reports.** Based on the Factual Allegations set forth in
19 Section I above, Respondents are in apparent violation of RCW 18.44.301(10) and WAC 208-680-
20 245(5) for failing to file a report concerning its operations and trust account administration and
21 reconciliation within 30 days following the end of the preceding month.

22 **2.5 Requirement to Maintain Records.** Based on the Factual Allegations set forth in Section I
23 above, Respondents are in apparent violation of RCW 18.44.400(1), WAC 208-680-510(1), and

1 WAC 208-680-530(1) for failing to maintain records and keep them current to the date of the most
2 recent activity.

3 **2.6 Requirement to Maintain Sufficient Funds in Trust Account.** Based on the Factual
4 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.400(3)
5 and WAC 208-680-410(16)(c) for making disbursements from an escrow account without first
6 receiving deposits directly relating to the account in amounts at least equal to the disbursements.

7 **2.7 Requirement to Pay Examination Fee.** Based on the Factual Allegations set forth in
8 Section I above, Respondents are in apparent violation of RCW 18.44.121(1)(e) and WAC 208-680-
9 650(3) for failing to pay the examination fee and other expenses incurred within 30 days of the date
10 of the invoice.

11 **2.8 Requirement to Follow Closing Instructions.** Based on the Factual Allegations set forth in
12 Section I above, Respondents are in apparent violation of RCW 18.44.301(2) and WAC 208-680-
13 540(7) for failing to perform all services required pursuant to the escrow instructions.

14 III. AUTHORITY TO IMPOSE SANCTIONS

15 **3.1 Authority to Require Affirmative Action.** Pursuant to RCW 18.44.420 and WAC 208-680-
16 630(1), the Director may require affirmative action to comply with the provisions of the Act.

17 **3.2 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3) and WAC 208-680-640(1)(d), in
18 addition to or in lieu of license denial, the Director may impose a fine of up to \$100 per day for each
19 day's violation of the Act or its rules.

20 **3.3 Authority to Collect Examination Fee.** Pursuant to RCW 18.44.121(1)(e) and WAC 208-
21 680-650, the expense of an examination pursuant to WAC 208-680-610 shall be borne by the entity
22 which is the subject of the examination.

1 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680-
2 650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by the entity
3 which is the subject of the investigation.

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

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

10 **4.1** Respondents Main Street Escrow, Inc., and Pauline Weber produce monthly reconciliation
11 reports for the period from April 30, 2011 through the date Respondent Main Street Escrow's
trust account was closed, and provide those reports for the Department's review.

12 **4.2** Respondents Main Street Escrow, Inc., and Pauline Weber record the Deed of Trust for the
13 property identified in paragraph 1.4 of the Statement of Charges.

14 **4.3** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay a fine.
As of the date of this Statement of Charges, the fine totals \$20,000.

15 **4.4** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay the
16 examination fee. As of the date of this Statement of Charges, the examination fee totals
1,547.19.

17 **4.5** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay an
18 investigation fee. As of the date of this Statement of Charges, the investigation fee totals
\$2,225, calculated at \$62.50 per hour for 35.6 staff hours.

19 **4.6** Respondent Main Street Escrow, Inc., its officers, employees, and agents maintain all records
20 involving Washington State escrow transactions within the state of Washington for a period of
six years from completion of the escrow transactions.

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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 Examination Fee, Collect Investigation Fee, and Maintain Records
4 (Statement of Charges) is entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430,
5 and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE
7 OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.

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10 Dated this 26th day of April, 2013.



11 [Redacted signature]

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

17 Presented by:

18 [Redacted signature]

19 SHANA L. OLIVER
20 Financial Legal Examiner

21 Approved by:

22 [Redacted signature]

23 CHARLES E. CLARK
24 Enforcement Chief