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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:

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ALLIANCE ESCROW, LLC, and
ELINA BEGLYAROVA, Designated Escrow
Officer,

Respondents.

No.: C-13-1174-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, AND COLLECT INVESTIGATION
FEE

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

1.1 Respondent Alliance Escrow, LLC (Respondent Alliance Escrow) has its principal place of business at 12515 Bellevue Redmond Road Suite 102, Bellevue, Washington 98005. Respondent Alliance Escrow was 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 on March 3, 2005. Respondent Alliance Escrow continues to be licensed to date.

1.2 Respondent Elina Beglyarova (Respondent Beglyarova) is the Designated Escrow Officer of Respondent Alliance Escrow. Respondent Beglyarova was licensed as an escrow officer on March 3, 2005, and continues to be licensed to date.

1 **1.3 Fraudulent Real Estate Transaction¹.** Respondent Alliance Escrow acted as the escrow
2 agent and closing agent for the sale of an adult family home located in Kent, Washington during July
3 2008; and Respondent Beglyarova acted as the escrow officer. The buyer obtained a loan of
4 \$837,250 from Alaksa USA Federal Credit Union to finance part of the \$985,000 purchase price.
5 The buyer was required to provide payment for the remainder of the purchase price from his own
6 funds. The buyer and Respondents, however, concealed the fact that the buyer had, instead, given a
7 note for \$147,750 and a deed of trust to the seller. Misrepresentations by Respondents made this
8 second loan appear to be a cash down payment from the buyer. Alaska USA Federal Credit Union
9 would not have made the loan if it had known of the existence of the second loan. The buyer
10 ultimately defaulted on both loans.

11 **1.4 Failure to Follow Escrow Instructions.** The escrow instructions were dated July 18, 2008,
12 and signed on July 21, 2008. The escrow instructions required Respondents to prepare a settlement
13 statement showing all funds deposited for the account of each of the parties and the disbursements
14 from such funds. Respondent Beglyarova, however, misrepresented the disbursements on the
15 settlement statement.

16 **1.5 Unrecorded Deed of Trust.** On July 24, 2008, the buyer signed a promissory note for
17 \$147,750 to the seller and a deed of trust. Respondent Beglyarova notarized the deed of trust, but did
18 not record it with the King County Auditor.

19 **1.6 Wire Transfers.** On July 24, 2008 [REDACTED] wired \$48,000 to Respondent
20 Alliance Escrow to be applied to the transaction. On the same date, [REDACTED], on
21 behalf of [REDACTED], wired \$100,000 to Respondent Alliance Escrow to be applied to
22 the transaction. Respondent Beglyarova entered the payor of these transfers as "borrower" in the
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24 ¹ All violations alleged are related to the same purchase transaction.

1 records of Respondent Alliance Escrow. Respondent Beglyarova did not list [REDACTED]
2 [REDACTED] or [REDACTED] as having provided the funds.

3 **1.7 Settlement.** On July 28, 2008, the sale of the home closed. The HUD-1 settlement statement
4 prepared by Respondents showed cash to the seller in the amount of \$283,163.84. The settlement
5 statement also showed that the buyer paid a total of \$163,423.89 in cash at the closing. It did not
6 reflect the additional promissory note.

7 **1.8 Disbursements.** On July 29, 2008, Respondents disbursed the escrow funds. Respondents
8 disbursed \$100,000 to [REDACTED] by wire transfer and \$48,000 to [REDACTED] by
9 wire transfer. Respondents recorded the payee of these disbursements as “[REDACTED]”,
10 the seller. Respondents also disbursed closing proceeds totaling only \$135,163.84 to the seller, [REDACTED]
11 [REDACTED] (not the \$283,163.84 referenced above). None of these disbursements were
12 accurately reflected on the final settlement statement.

13 **1.9 On-Going Investigation.** The Department’s investigation into the alleged violations of the
14 Act by Respondents continues to date.

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

16 **2.1 Engaging in a Scheme, Device, or Artifice to Defraud or mislead.** Based on the Factual
17 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(1)
18 for directly or indirectly employing any scheme, device, or artifice to defraud or mislead lenders.

19 **2.2 Engaging in Unfair or Deceptive Acts or Practices.** Based on the Factual Allegations set
20 forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(2) for directly or
21 indirectly engaging in any unfair or deceptive practice toward any person.

22 **2.3 Knowingly Making, Publishing, or Disseminating False, Deceptive or Misleading**
23 **Information.** Based on the Factual Allegations set forth in Section I above, Respondents are in

1 apparent violation of RCW 18.44.301(4) for knowingly making, publishing, or disseminating any
2 false, deceptive, or misleading information in the conduct of the business of escrow, or relative to the
3 business of escrow or relative to any person engaged therein.

4 **2.4 Making False Entry in Books or Accounts.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 18.44.301(6) for making or
6 concurring in making any false entry, or omitting or concurring in omitting to make any material
7 entry, in Respondent's books or accounts.

8 **2.5 Failure to Make Proper Entries.** Based on the Factual Allegations set forth in Section I
9 above, Respondents are in apparent violation of RCW 18.44.301(8) for willfully failing to make any
10 proper entry in the books of the escrow business as required by law.

11 **2.6 Failure to Comply with Escrow Instructions.** Based on the Factual Allegations set forth in
12 Section I above, Respondents are in apparent violation of WAC 208-680-540(4) for failing to comply
13 with the escrow instructions for completing the closing statement.

14 **2.7 Failure to Provide Services.** Based on the Factual Allegations set forth in Section I above,
15 Respondents are in apparent violation of WAC 208-680-540(7) for failing to provide the services and
16 perform all acts pursuant to the escrow instructions.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Revoke License.** Pursuant to RCW 18.44.430(1) and WAC 208-680-640(1)(a)
19 the Director may revoke the license of any escrow agent or escrow officer if the director finds that
20 any partner, officer, controlling person or employee has violated any of the provisions of the Act or
21 any lawful rules under the Act.

22 **3.2 Authority to Prohibit from industry.** Pursuant to RCW 18.44.430(3) and WAC 208-680-
23 640(1)(b) in addition to or in lieu of a license revocation the director may remove and/or prohibit

1 from participation in the conduct of the affairs of any licensed escrow agent, any officer, controlling
2 person, director, employee, or licensed escrow officer.

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3) and WAC 208-680-640(1)(d), in
4 addition to or in lieu of license denial the Director may impose a fine up to \$100 per day for each
5 day's violation of the Act or rules adopted under the Act.

6 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680-
7 650(2), the expense of an investigation pursuant to WAC 208-680-610 or WAC 208-680-620 shall be
8 borne by the entity which is the subject of the investigation.

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

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

15 **4.1** Respondent Alliance Escrow, LLC's license to conduct the business of an escrow
16 agent be revoked.

17 **4.2** Respondent Elina Beglyarova's escrow officer license be revoked.

18 **4.3** Respondent Elina Beglyarova be prohibited from participation in the affairs of any
19 escrow agent subject to licensure by the Director for a period of five years.

20 **4.4** Respondents Alliance Escrow, LLC and Elina Beglyarova jointly and severally pay a
21 fine. As of the date of this Statement of Charges, the fine totals \$20,000.

22 **4.5** Respondent Alliance Escrow, LLC and Elina Beglyarova jointly and severally pay an
23 investigation fee. As of the date of this Statement of Charges, the investigation fee
24 totals \$2,275.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,
3 Prohibit from Industry, Impose Fine, and Collect Investigation Fee (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). Respondents may
6 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
7 AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

8
9 Dated this 16th day of August, 2013



10 [Redacted Signature]

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

15 Presented by:

16 [Redacted Signature]

17 ROBERT E. JONES
18 Financial Legal Examiner

19 Approved by:

20 [Redacted Signature]

21 CHARLES E. CLARK
22 Enforcement Chief