STATE OF WASHINGTON 1 DEPARTMENT OF FINANCIAL INSTITUTIONS 2 CONSUMER SERVICES DIVISION 3 IN THE MATTER OF DETERMINING NO. C-14-1444-14-TD01 Whether there has been a violation of the 4 Escrow Agent Registration Act of Washington by: 5 TEMPORARY ORDER TO NORTH SOUND ESCROW, LLC and CEASE AND DESIST AND 6 STACY ANN BRADSHAW, Owner and TAKE AFFIRMATIVE ACTION Designated Escrow Officer, 7 Respondents. 8 9 THE STATE OF WASHINGTON TO: North Sound Escrow, LLC Stacy Ann Bradshaw 10 11 COMES NOW the Director of the State of Washington Department of Financial Institutions 12 (Director), by and through his designee Deborah Bortner, Division Director, Division of Consumer 13 Services (designee), and finding that the public is likely to be substantially injured by delay in 14 issuing a cease and desist order, enters this Temporary Order to Cease and Desist and Take 15 Affirmative Action (TCD) pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act 16 (Act), based on the following: 17 I. FACTUAL ALLEGATIONS 18 North Sound Escrow, LLC (Respondent NSE) is licensed to engage in the business of 1.1 19 an Escrow Agent by the State of Washington Department of Financial Institutions (Department) 20 pursuant to the Act. 21 Stacy Ann Bradshaw (Respondent Bradshaw) is owner and Designated Escrow 1.2 22 Officer of Respondent NSE.

1

TEMPORARY ORDER TO CEASE AND DESIST AND TAKE AFFIRMATIVE ACTION C-14-1444-14-TD01 NORTH SOUND ESCROW, LLC and STACY ANN BRADSHAW

23

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services P.O. Box 41200 Olympia, WA 98504-1200 1.3 On or about February 10, 2014, Respondents provided an altered Accord Certificate of
 Liability to Umpqua Bank. The copy of Respondent NSE's Accord Certificate of Liability
 which Respondent Bradshaw provided to Umpqua Bank indicated that Respondent NSE's Errors
 & Omissions (E&O) coverage was \$2 million. However, the insurer later provided the original
 Certificate of Liability document to Umpqua Bank which showed that Respondent NSE's E&O
 coverage was only \$1 million.

7 1.4 On or about April 7, 2014, the Department began an examination of the books and
8 records of Respondent NSE. The Department reviewed Respondent NSE's bank accounts and
9 individual escrow files, including current disbursement ledgers, provided via email by
10 Respondent Bradshaw.

11 **1.5** The Department noted that the disbursement ledgers provided by Respondents differed
12 from the current disbursement ledgers printed by the Department directly from Respondent's
13 SMS system. In at least three escrow files, Respondents altered the disbursement ledgers to omit
14 voided checks.

15 1.6 Additionally, in at least three escrow files Respondents diverted settlement funds from
16 Respondent NSE's trust account to Respondent NSE's general account.

17

II. GROUNDS FOR ENTRY OF ORDER

18 2.1 Altering Documents. Based on the Factual Allegations set forth in Section I above,
19 Respondents are in apparent violation of RCW 18.44.301(1), (2), and (3) and RCW 18.44.301(4)

20 and (7) for altering documents and putting them off as true to Umpqua Bank.

21 **2.2** Providing False Documents. Based on the Factual Allegations set forth in Section I

2

22 above, Respondents are in apparent violation of RCW 18.44.301(4) and (7) for knowingly

23 providing false documents to the Department.

TEMPORARY ORDER TO CEASE AND DESIST AND TAKE AFFIRMATIVE ACTION C-14-1444-14-TD01 NORTH SOUND ESCROW, LLC and STACY ANN BRADSHAW

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services P.O. Box 41200 Olympia, WA 98504-1200

I	
1	2.3 Diverting Funds. Based on the Factual Allegations set forth in Section I above,
2	Respondents are in apparent violation of RCW 18.44.301(1), (2), (3), (5), (6), and (8) for
3	diverting settlement funds into Respondent NSE's general account.
4	III. AUTHORITY
5	3.1 Authority to Issue Temporary Order to Cease and Desist and Take Affirmative
6	Action. Pursuant to RCW 18.44.440, the Director is authorized to issue a temporary order to
7	cease and desist and take affirmative action whenever the Director makes a finding, in writing,
8	that the public interest will be irreparably harmed by delay in issuing a cease and desist order.
9	IV. ORDER
10	Based on the above Factual Findings, Grounds for Entry of Order, and Authority, and
11	pursuant to RCW 18.44.440, the Director finds that the public interest will be irreparably harmed
12	by delay in issuing a cease and desist order. Therefore, the Director ORDERS that:
13	4.1 Respondents shall immediately cease and desist from the unlawful practices
14	alleged in Section II.
15	4.2 Respondents shall immediately cease and desist from accepting new escrow
16	service customers.
17	4.3 Respondents shall resolve or transfer all open escrow files within 30 days.
18	4.4 Respondents shall, within 15 days of completion of escrow services, provide the
19	Department with copies of all escrow documents for all escrow settlements that were not
20	transferred.
21	4.5 Respondents shall, within five business days of issuance of this TCD, provide
22	written notice to all principals of open escrows of the receipt of the TCD. The notice shall
23	include the reason for the issuance of the TCD and the estimated date for completing the escrow.
	TEMPORARY ORDER TO CEASE AND DESIST3DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services P.O. Box 41200AND TAKE AFFIRMATIVE ACTIONDivision of Consumer Services P.O. Box 41200C-14-1444-14-TD01P.O. Box 41200NORTH SOUND ESCROW, LLCOlympia, WA 98504-1200and STACY ANN BRADSHAWOlympia

The notice shall also afford the principals the right to transfer or withdraw the escrow without
 monetary loss.

4.5 Respondents shall not remove or destroy any escrow files or records, including
those kept offsite. Further, Respondent Bradshaw shall not access any escrow file or records
stored at Alderwood Storage at 16902 Alderwood Mall Boulevard, Lynnwood, Washington
98036.

7 4.6 This order shall take effect immediately and shall remain in effect unless set
8 aside, limited, or suspended in writing by an authorized court.

4

9

//

 \parallel

- 10
- 11 //
- 12 ||// 13 ||/
- 14 || //
- 15 ||//
- 16 //
- 17 ///

- 18 || //
- 19 ||//
- 20 || //
- ||

23

21 //

22 ||//

 \parallel

TEMPORARY ORDER TO CEASE AND DESIST AND TAKE AFFIRMATIVE ACTION C-14-1444-14-TD01 NORTH SOUND ESCROW, LLC and STACY ANN BRADSHAW

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services P.O. Box 41200 Olympia, WA 98504-1200 NOTICE

1

2	PURSUANT TO CHAPTER 18.44 RCW, YOU ARE ENTITLED TO A HEARING TO
3	DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU DESIRE
4	A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR
5	ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE
6	TO COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING
7	FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS
8	WITHIN TWENTY (20) DAYS OF THE DATE THAT THIS ORDER WAS SERVED ON YOU
9	WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO
10	A HEARING. SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL, POSTAGE
11	PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT DEFAULT WILL
12	RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE
13	TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.
14	
15	WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS
16	TEMPORARY ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR
17	COURT IN THE COUNTY OF YOUR PRINCIPAL PLACE OF BUSINESS FOR AN
18	INJUNCTION SETTING ASIDE, LIMITING, OR SUSPENDING THIS ORDER PENDING
19	THE COMPLETION OF THE ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS
20	NOTICE.
21	//
22	//
23	//
	TEMPORARY ORDER TO CEASE AND DESIST5DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer ServicesAND TAKE AFFIRMATIVE ACTIONDivision of Consumer ServicesC-14-1444-14-TD01P.O. Box 41200NORTH SOUND ESCROW, LLCOlympia, WA 98504-1200and STACY ANN BRADSHAWOlympia, WA 98504-1200

