

Terms Complete

ORDER SUMMARY – Case Number: C-15-1749

Name(s): Title365 Co.

Order Number: C-15-1749-15-CO01

Effective Date: _____

License Number: UL
Or NMLS Identifier [U/L] _____

License Effect: _____

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: 5 years but may apply for license

Investigation Costs	\$1,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/21/2016
Financial Literacy	\$11,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/21/2016
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: _____

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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:

TITLE365 CO.,

Respondent.

No.: C-15-1749-15-CO01
CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Charles E. Clark, Division Director, Division of Consumer Services, and Title365 Co.
(Respondent) and finding that the issues raised in the above-captioned matter may be economically
and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered
pursuant to Revised Code of Washington (RCW) 18.44, the Escrow Agent Registration Act (Act),
and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

- 1.1** 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** Between at least February 2011, and March 2011, Respondent performed escrow functions in
at least two residential mortgage loan transactions for property located in the state of Washington.
- 1.3** In at least 12 residential mortgage loan transactions for property located in the state of
Washington, Respondent collected duplicate fees related to settlement and escrow activity in spite of
the fact that the borrowers had already been charged settlement and escrow service fees by another
entity. In or around November 2015, Respondent provided refunds to these borrowers for the full
amount of the duplicate fees collected from them.

1 **1.4** Respondent did not satisfy an exemption to the licensure requirement under the Act during
2 any of the time in question.

3 **CONCLUSIONS OF LAW**

4 **2.1** Based on the above Findings of Fact, Respondent violated RCW 18.44.021 by engaging in the
5 business of an escrow agent in the state of Washington without first obtaining and maintaining a
6 license in accordance with the Act or meeting an exception to the licensing requirement under the
7 Act.

8 **AGREEMENT AND ORDER**

9 The Department and Respondent have agreed upon a basis for resolution of the Findings of
10 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 18.44 and RCW
11 34.05.060, Respondent and the Department agree to the entry of this Consent Order and further agree
12 that the matters alleged herein may be economically and efficiently settled by the entry of this
13 Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law identified in
14 this Consent Order, and agrees not to contest the Department's entry of this Consent Order in
15 consideration of the terms herein.

16 Based upon the foregoing:

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

19 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
20 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all
21 administrative and judicial review of the issues raised in this matter, or of the resolution reached
22 herein.

1 **C. License Required.** It is AGREED and ORDERED that Respondent shall not engage in
2 the business of an escrow agent in the state of Washington or for transactions involving property
3 located in the state of Washington until such time as it obtains a license in accordance with the Act or
4 meets an exclusion from the Act. It is further AGREED that Respondent shall not hold itself out as
5 being authorized to engage in such business in the state of Washington until such time as it obtains a
6 license in accordance with the Act or meets an exclusion from the Act.

7 **D. Prohibition from Industry.** It is AGREED that, for a period of five years from the date
8 of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the
9 conduct of the affairs of any escrow agent licensed by the Department or subject to licensure or
10 regulation by the Department. It is further AGREED that this provision shall become null and void
11 should Respondent apply for and be issued an escrow agent license by the Department, or meet an
12 exclusion from the Act, prior to the expiration of the five year prohibition period.

13 **E. Restitution.** It is AGREED that Respondent has paid restitution to the borrowers to
14 whom it charged duplicate escrow fees as described in Section 1.3.

15 **F. Financial Literacy and Education.** It is AGREED that Respondent shall pay \$11,000 to
16 the Department for purposes of financial literacy and education. It is further AGREED that
17 Respondent shall not advertise this payment.

18 **G. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
19 investigation fee of \$1,000 upon entry of this Consent Order. The payment for financial literacy and
20 education and the investigation fee may be paid together in one \$12,000 cashier's check made
21 payable to the "Washington State Treasurer."

22 **H. Rights of Non-Parties.** It is AGREED that the Department does not represent and does
23 not have the consent of any person or entity not a party to this Consent Order to take any action

1 concerning their personal legal rights. It is further AGREED that for any person or entity not a party
2 to this Consent Order, this Consent Order does not limit or create any private rights or remedies
3 against Respondent, limit or create liability of Respondent, or limit or create defenses to any claims
4 for Respondent.

5 **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and
6 warranted that they have the full power and right to execute this Consent Order on behalf of the
7 parties represented.

8 **J. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
9 abide by the terms and conditions of this Consent Order may result in further investigation and legal
10 action by the Director. In the event of such legal action, Respondent may be responsible to reimburse
11 the Director for the cost incurred in any such investigation and in pursuing such action, including but
12 not limited to, attorney fees.

13 **K. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
14 Consent Order, which is effective when signed by the Director's designee.

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

17 **RESPONDENT:**

18 **Title365 Co.**

19 By:

20 
21 Arash Mostafavipour
EVP & General Counsel

20 1-15-16
21 Date

22 DO NOT WRITE BELOW THIS LINE

23 THIS ORDER ENTERED THIS 28th DAY OF January, 2016.

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CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



KENNETH J. SUGIMOTO
Financial Legal Examiner

Approved by:



STEVEN C. SHERMAN
Enforcement Chief