

ORDER SUMMARY – Case Number: C-18-2525

Name(s): Eliseo Betti, Jr.

Order Number: C-18-2525-19-FO01

Effective Date: September 16, 2019

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

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: September 16, 2024

Investigation Costs	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$ 15,000	Due: 10/16/19	Paid <input type="checkbox"/> Y <input checked="" 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
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: _____

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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:

No.: C-18-2525-19-FO01

AMERICAN FREEDOM ASSURANCE, INC.,
DANIEL M. ROVER, President, and
ELISEO BETTI, JR.,
Vice-President/Director,

FINAL ORDER RE:
ELISEO BETTI, JR.

Respondents.

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Acting Director Richard St. Onge (Director's designee), pursuant to RCW 34.05.440(1). On August 19, 2019, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, and Impose Fine (Statement of Charges) against Eliseo Betti, Jr. (Respondent Betti). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated August 20, 2019, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent Betti (collectively, accompanying documents).

On August 20, 2019, the Department served Respondent Betti with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On August 22, 2019, the documents sent by Federal Express overnight delivery were delivered. The

1 documents sent by First-Class mail were not returned to the Department by the United States Postal
2 Service as undeliverable.

3 Respondent Betti did not request an adjudicative hearing within twenty calendar days after the
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
5 in WAC 208-08-050(2).

6 B. Record Presented. The record presented to the Director's designee for his review and
7 for entry of a final decision included the Statement of Charges, cover letter dated August 20, 2019,
8 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
9 Adjudicative Hearing for Respondent, with documentation for service.

10 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
11 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

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1 II. FINAL ORDER

2 Based upon the foregoing, and the Director's designee having considered the record and being
3 otherwise fully advised, NOW, THEREFORE:

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Eliseo Betti, Jr. cease and desist from performing escrow services in
6 the state of Washington until such time as he obtains a license from the
7 Department to provide such services or meets an exclusion from licensing as
8 delineated in the Act.
- 9 2. Respondent Eliseo Betti, Jr. is prohibited from participating in the conduct of the
10 affairs of any licensed escrow agent for a period of 5 years.
- 11 3. Respondent Eliseo Betti, Jr. pay a fine of \$15,000.

12 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Betti has the right to file a
13 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
14 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
15 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
16 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent Betti.
17 The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
18 Reconsideration a prerequisite for seeking judicial review in this matter.

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

22 C. Stay of Order. The Director's designee has determined not to consider a Petition to
23 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
24 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

1 D. Judicial Review. Respondent Betti has the right to petition the superior court for
2 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
3 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

4 E. Non-compliance with Order. If you do not comply with the terms of this order,
5 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
6 may seek its enforcement by the Office of the Attorney General to include the collection of the fine
7 imposed herein. The Department also may assign the amounts owed to a collection agency for
8 collection.

9 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
10 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
11 attached hereto.

12 DATED this 16th day of September, 2019.

13 STATE OF WASHINGTON
14 DEPARTMENT OF FINANCIAL INSTITUTIONS

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16 /s/
17 RICHARD ST. ONGE
Acting Director
Division of Consumer Services

**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:

AMERICAN FREEDOM ASSURANCE, INC.,
DANIEL M. ROVER, President, and
ELISEO BETTI, JR. ,
Vice-President/Director,

Respondents.

No. C-18-2525-19-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, AND
IMPOSE FINE

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 Acting Director Richard St. Onge, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **American Freedom Assurance, Inc. (Respondent AFA)** has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent.

B. **Daniel M. Rover (Respondent Rover)** has never been licensed by the Department to conduct business as an escrow agent or escrow officer. Respondent Rover is alleged to have been President of Respondent AFA at all times relevant to this Statement of Charges.

1 C. **Eliseo Betti, Jr. (Respondent Betti)** has never been licensed by the Department to conduct
2 business as an escrow agent or escrow officer. Respondent Betti is alleged to have been Vice-
3 President/Director of Respondent AFA at all times relevant to this Statement of Charges.

4 **1.2 Unlicensed Activity.** Between at least September 1, 2017, and March 13, 2018, Respondents
5 performed escrow functions in at least twenty-four (24) Washington residential mortgage loan
6 transactions. Respondents received a fee or multiple fees for those services.

7 **1.3 Failure to Maintain Records.** On or about July 16, 2019, the Department issued a subpoena
8 to Respondents AFA and Betti to provide certain documents more specifically set forth therein which
9 Respondents were related to Washington escrow transactions. On July 24, 2019, Respondent Betti
10 contacted the Department by telephone and stated he did not have any such documents and indicated
11 that the Department should contact Respondent Rover. On or about July 24, 2019, the Department
12 issued a subpoena to Respondent Rover to provide certain documents more specifically set forth
13 therein which Respondents were related to Washington escrow transactions. On August 5, 2019,
14 Respondent Rover contacted the Department by telephone and indicated that he did not have such
15 documents. On August 14, 2019, the Department received a letter from Respondent Rover stating
16 that he did not have access to Respondent AFA's server and therefore could not provide the
17 documents requested.

18 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
19 Act by Respondents continues to date.

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

21 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(7), "Escrow" means any transaction
22 wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange,
23 transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any
24 written instrument, money, evidence of title to real or personal property, or other thing of value to a

1 third person to be held by such third person until the happening of a specified event or the
2 performance of a prescribed condition or conditions, when it is then to be delivered by such third
3 person, in compliance with instructions under which he or she is to act, to a grantee, grantor,
4 promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

5 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(8) “Escrow Agent” means any
6 person engaged in the business of performing for compensation the duties of the third person referred
7 to in RCW 18.44.011(7).

8 **2.3 Requirement to Obtain and Maintain License.** Based on Factual Allegations set forth in
9 Section I above, Respondents are in apparent violation of RCW 18.44.021, RCW 18.44.301(2), and
10 RCW 18.44.301(3) for engaging in the business of an escrow agent by performing escrows or any of
11 the functions of an escrow agent within the state of Washington or with respect to transactions that
12 involve personal property or real property located in the state of Washington without first obtaining a
13 license and collecting fees for those services.

14 **2.4 Requirement to Maintain Records.** Based on Factual Allegations set forth in Section I
15 above, Respondents are in apparent violation of RCW 18.44.400 for failure to maintain records of
16 Washington escrow transactions for six years from the completion of the transaction.

17 III. AUTHORITY TO IMPOSE SANCTIONS

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440, if the
19 Director determines after notice and hearing that a person has violated any provision of the Act or
20 engaged in any false, unfair and deceptive, or misleading advertising or promotional activity or
21 business practices, the director may issue an order requiring the person to cease and desist from the
22 unlawful practice.

23 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.400(5) and RCW
24 18.44.430(3), the Director may prohibit from participation in the conduct of the affairs of any

1 licensed escrow agent any escrow agent who is required to be licensed under this chapter and who
2 violates RCW 18.44.400 or WAC 208-680-530.

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 18.44.171, RCW 18.44.400(5), and RCW
4 18.44.430(3), the Director may impose a fine up to \$100 per day for each day's violation of the Act.

5 **IV. NOTICE OF INTENT TO ENTER ORDER**

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

11 **4.1** Respondents American Freedom Assurance, Inc., Daniel M. Rover, and Eliseo Betti,
12 Jr. cease and desist from performing escrow services in the state of Washington until
13 such time as they obtain a license from the Department to provide such services or
14 meet an exclusion from licensing as delineated in the Act.

15 **4.2** Respondents American Freedom Assurance, Inc., Daniel M. Rover, and Eliseo Betti,
16 Jr. be prohibited from participating in the conduct of the affairs of any licensed escrow
17 agent for a period of 5 years.

18 **4.3** Respondents American Freedom Assurance, Inc., Daniel M. Rover, and Eliseo Betti,
19 Jr. pay a fine. As of the date of this Statement of Charges, the fine totals \$15,000.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist,
3 Prohibit from Industry, and Impose Fine (Statement of Charges) is entered pursuant to the provisions
4 of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter
5 34.05 RCW (the Administrative Procedure Act). Respondents may make a written request for a
6 hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND
7 TO DEFEND accompanying this Statement of Charges.

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9 Dated this 19th day of August, 2019.

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11 /s/
12 RICHARD ST. ONGE
13 Acting Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 /s/
18 STEVEN C. SHERMAN
19 Enforcement Chief