

**ORDER SUMMARY – Case Number: C-18-2525**

**Name(s):** Daniel M Rover  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-18-2525-20-CO01  
 \_\_\_\_\_

**Effective Date:** April 3, 2020  
 \_\_\_\_\_

**License Number:** U/L  
**Or NMLS Identifier [U/L]** \_\_\_\_\_

**License Effect:**  
 \_\_\_\_\_  
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**Not Apply Until:**  
 \_\_\_\_\_

**Not Eligible Until:**  
 \_\_\_\_\_

**Prohibition/Ban Until:** January 24, 2025  
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<b>Investigation Costs</b>	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$ 15,000 (\$11,250 STAYED)	Due \$3,750	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Financial Literacy and Education</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: The Consent Order only addresses financial issues from Final Order C-18-2525-19-FO02 (FO02). All non-financial sanctions in FO02 remain in effect.

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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:

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

Respondent(s).

No.: C-18-2525-20-CO01

CONSENT ORDER AS TO  
DANIEL M. ROVER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and Daniel M Rover (Respondent Rover), and agree to the entry of this Consent Order addressing the financial obligation set forth in C-18-2525-20-FO02 solely as related to Respondent Rover. This Consent Order is entered pursuant to chapter 18.44 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Rover have agreed upon a basis for resolution of the financial obligation ordered in Final Order C-18-2525-20-FO02 (Final Order), entered January 24, 2020. Pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent Rover hereby agrees to the Department's entry of this Consent Order and agrees that all non-financial requirements of the Final Order will remain in effect.

Based upon the foregoing:

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

1           B. **Fine.** Respondent Rover, by his signature below, acknowledges his joint and several  
2 liability for the \$15,000 fine ordered in Final Order C-18-2525-20-FO02. It is AGREED that  
3 Respondent Rover’s liability for \$11,250 of the fine shall be stayed. It is FURTHER AGREED that  
4 Respondent Rover will pay to the Department the remaining \$3,750 as set forth in Paragraph D. It  
5 is FURTHER AGREED that Respondent Rover’s liability for the stayed fine will be absolved upon  
6 full payment of the \$3,750 without further action by the Department.

7           C. **Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 8           1. If the Department determines that Respondent Rover has not complied with this  
9           Consent Order, and the Department accordingly seeks to lift the stay and impose  
10           the stayed fine set forth in section B above, the Department will first notify  
11           Respondent Rover in writing of its determination.
- 12           2. The Department’s notification will include:
  - 13           a) A description of the alleged noncompliance;
  - 14           b) A statement that because of the noncompliance, the Department seeks  
15           to lift the stay and impose the stayed fine;
  - 16           c) The opportunity for Respondent Rover to contest the Department’s  
17           determination of noncompliance in an administrative hearing before an  
18           ALJ of OAH; and
  - 19           d) A copy of this Consent Order. The notification and hearing process  
20           provided in this Consent Order applies only to this Consent Order. It is  
21           solely provided in the event Respondent Rover chooses to contest the  
22           Department’s determination of noncompliance.
- 23           3. Respondent Rover will be afforded twenty (20) business days from the date of  
24           receipt of the Department’s notification to submit a written request to the  
25           Department for an administrative hearing to be held before an Administrative Law  
26           Judge (ALJ) from the Office of Administrative Hearings (OAH).
- 27           4. The scope and issues of the hearing are limited solely to whether or not  
28           Respondent Rover is in violation of this Consent Order.
- 29           5. At the conclusion of the hearing, the ALJ will issue an initial decision. Either  
30           party may file a Petition for Review with the Director of the Department.

1           6. If Respondent Rover does not request the hearing within the stated time, the  
2           Department will immediately impose the stayed fine and pursue whatever action it  
3           deems necessary to collect.

3           **D. Payment of Fine.** It is AGREED that Respondent Rover shall pay to the Department a  
4           minimum of \$50 per month toward the above-referenced fine of \$3,750; with the first payment due  
5           before April 30, 2020. Thereafter, Respondent Rover shall pay to the Department at least \$50 each  
6           month, to be received by the Department before the last day of the month, until such time as the  
7           entire \$3,750 is paid. Each payment shall be in the form of a **cashier's check** made payable to the  
8           "Washington State Treasurer" and shall be mailed to:

9                   **Washington Department of Financial Institutions**  
10                   **Division of Consumer Services**  
11                   **P.O. Box 41200**  
12                   **Olympia, WA 98504-1200**

12           **E. Change of Address.** It is AGREED that for the duration of the period this Consent Order  
13           is in effect, unless otherwise agreed to in writing by the Department, Respondent Rover shall provide  
14           the Department with a mailing address and telephone number at which Respondent Rover can be  
15           contacted and Respondent shall notify the Department in writing of any changes to his mailing  
16           address or telephone number within fifteen days of any such change.

17           **F. Non-Compliance with Order.** It is AGREED that Respondent Rover understands that  
18           failure to abide by the terms and conditions of this Consent Order may result in further legal action  
19           by the Director. In the event of such legal action, Respondent Rover may be responsible to reimburse  
20           the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

21           **G. Voluntarily Entered.** It is AGREED that Respondent Rover has voluntarily entered into  
22           this Consent Order, which is effective when signed by the Director's designee.

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

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**RESPONDENT:**

/s/  
Daniel M. Rover  
Individually

3-3-20  
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 3rd DAY OF April, 2020.

/s/  
Lucinda Fazio, Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/  
STEVEN C. SHERMAN  
Enforcement Chief



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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-FO02

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

FINAL ORDER RE:  
AMERICAN FREEDOM ASSURANCE, INC.  
and  
DANIEL M. ROVER

I. DIRECTOR’S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (“Director”), pursuant to RCW 34.05.440(2). On August 19, 2019, the Director, through his designee, Consumer Services Acting Division Director Richard St. Onge, issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Prohibit from Industry, and Impose Fine (“Statement of Charges”) against American Freedom Assurance, Inc. (“Respondent AFA”) and Daniel M. Rover (“Respondent Rover”)(collectively “Respondents”).<sup>1</sup> On August 20, 2019, the Department of Financial Institution (“Department”) served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. 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 blank Applications for Adjudicative Hearing for Respondents AFA and Rover.

<sup>1</sup> Respondent Betti was served with the Statement of Charges but failed to file an Application for Adjudicative Hearing and a Final Order was entered September 16, 2019.

1 On September 11, 2019, Respondents AFA and Rover each filed an Application for  
2 Adjudicative Hearing. On November 22, 2019, the Department made a request to the Office of  
3 Administrative Hearings (“OAH”) to assign an Administrative Law Judge (“ALJ”) to schedule and  
4 conduct a hearing on the Statement of Charges. On December 5, 2019, OAH issued a Notice of  
5 Prehearing Conference scheduling a prehearing conference on Thursday, December 19, 2019, at 9:00  
6 a.m. and served the Notice on Respondents AFA and Rover at the address provided in their  
7 Applications for Adjudicative Hearing. That Notice stated: “You must call in to the Prehearing  
8 Conference. If you fail to call in, the Administrative Law Judge may hold you in default and dismiss  
9 your appeal.”

10 On December 19, 2019, Respondents AFA and Rover did not appear at 9:00 a.m. and ALJ  
11 Shefler waited 15 minutes for them to appear before convening the prehearing conference at 9:15  
12 a.m. Respondents AFA and Rover failed to appear by 9:15 a.m. and the Department moved for an  
13 order of default dismissing the administrative appeal. On December 23, 2019, ALJ Shefler issued an  
14 Order Dismissing Appeal finding Respondents AFA and Rover in default and dismissing their  
15 administrative appeal. On December 23, 2019, ALJ Shefler sent the Order of Dismissal to  
16 Respondents AFA and Rover via First-Class mail.

17 Pursuant to RCW 34.05.440(3), Respondents AFA and Rover had seven (7) days from the  
18 date of service of the Order Dismissing Appeal to file a written motion with OAH requesting that the  
19 Order Dismissing Appeal be vacated, and stating the grounds relied upon. Respondents AFA and  
20 Rover did not make a request to vacate during the statutory period.

21 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents AFA and Rover had twenty  
22 (20) days from the date of service of the Order Dismissing Appeal to file a Petition for Review of the  
23 Order. Respondents AFA and Rover did not file a Petition for Review during the statutory period.



1           B.     Reconsideration. Pursuant to RCW 34.05.470, Respondents American Freedom  
2 Assurance, Inc. and Daniel M. Rover have the right to file a Petition for Reconsideration stating the  
3 specific grounds upon which relief is requested. The Petition must be filed in the Office of the  
4 Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater,  
5 Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within  
6 ten (10) days of service of the Final Order upon Respondents American Freedom Assurance, Inc. and  
7 Daniel M Rover. The Petition for Reconsideration shall not stay the effectiveness of this order nor is  
8 a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

15           D.     Judicial Review. Respondents American Freedom Assurance, Inc. and Daniel M.  
16 Rover have the right to petition the superior court for judicial review of this agency action under the  
17 provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see  
18 RCW 34.05.510 and sections following.

19           E.     Non-compliance with Order. If you do not comply with the terms of this order,  
20 including payment of any amounts owed within thirty (30) days of receipt of this order, the  
21 Department may seek its enforcement by the Office of the Attorney General to include the collection  
22 of the fine imposed herein. The Department also may assign the amounts owed to a collection  
23 agency for collection.

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

4 DATED this 24th day of January, 2020.

6 STATE OF WASHINGTON  
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 /s/  
9 CHARLES E. CLARK  
10 Director



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.

8  
9 Dated this 19th day of August, 2019.

10  
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