

Consumer Services Division Case Number C-22-3367

Statements of Charges allege wrongdoing by a company or individual. DFI issues Statements of Charges to tell the company or individual:

- They have been investigated
- DFI is making allegations against them
- What the allegations are
- What consequences could follow

DFI informs the company or individual of their rights at this time. The company or individual can respond to the Charges. They also have the right to contest the Charges at an administrative hearing.

Name	Cecille Nguyen LLC and Cecille Nguyen
Number	C-22-3367-23-SC01
Date issued	8/2/2023

Questions?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.

1 Nguyen has never been licensed by the Department to conduct business as an escrow
2 agent.

3 **1.2 Unlicensed Activity.** On or about January 6, 2021, Respondents entered into an escrow
4 agreement in which Respondent CNL was the escrow agent to facilitate a sales agreement regarding
5 the purchase of nitrile gloves during the COVID-19 pandemic. The sales agreement provided that the
6 buyer would place funds in escrow pending the closing of the sale. Under the escrow agreement,
7 Respondent CNL was to disburse funds upon written instructions from the parties. The Escrow Fee
8 Schedule provided that Respondent CNL was to be paid a commission based on .35% or 3.5 cents per
9 \$1,000 of the amount disbursed or refunded by Respondent CNL.

10 **1.3 Failure to Maintain a Trust Account and Segregate Funds.** Pursuant to the escrow
11 agreement, \$3,000,000 was deposited into Respondent CNL's business savings account on or about
12 January 6, 2021. Respondent did not maintain the funds in a trust account and were not segregated
13 from Respondents' own funds.

14 **1.4 Unauthorized Disbursements of Funds.** On or about January 8, 2021, Respondents made
15 at least three disbursements of funds from Respondent CNL's business savings account, which
16 collectively totaled at least \$611,500. The parties did not provide written instructions to the
17 Respondents authorizing these disbursements.

18 **1.5 Conversion of Funds.** When the gloves were not delivered per the parties' agreement on or
19 about January 27, 2021, the buyer requested Respondents return the \$3,000,000. On or about January
20 28, 2021, Respondent returned approximately \$2,380,140 to the buyer. Respondents were given a
21 deadline to return the remaining funds by February 8, 2021. Respondents failed to return the
22 remaining funds by the deadline.¹

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24 ¹ Around April 2021, approximately \$36,580 was returned to the buyer pursuant to a settlement agreement. On or about
February 8, 2022, approximately \$1,341.95 was garnished from Respondent CNL's account.

1 **1.6 False Statement to Party.** On or about January 28, 2021, Respondents provided the buyer
2 with a transaction ledger. This transaction ledger did not accurately reflect the disbursements made
3 by Respondents.

4 **1.7 False Statement to the Department.** On or about March 21, 2022, Respondents made a
5 false statement to the Department related to the disbursements of the buyer's funds. Respondent
6 stated that she disbursed a total of \$611,500 funds to one recipient. However, Respondent CNL's
7 business savings account activity showed the funds were disbursed to three recipients.

8 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the
9 Act by Respondents continues to date.

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

11 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(7), "Escrow" means any transaction
12 wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange,
13 transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any
14 written instrument, money, evidence of title to real or personal property, or other thing of value to a
15 third person to be held by such third person until the happening of a specified event or the
16 performance of a prescribed condition or conditions, when it is then to be delivered by such third
17 person, in compliance with instructions under which he or she is to act, to a grantee, grantor,
18 promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

19 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(8) "Escrow Agent" means any
20 person engaged in the business of performing for compensation the duties of the third person referred
21 to in RCW 18.44.011(7).

22 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth
23 in Section I above, Respondents are in apparent violation of RCW 18.44.021 for engaging in the
24 business of an escrow agent by performing escrows or any of the functions of an escrow agent within

1 the state of Washington or with respect to transactions that involve personal property or real property
2 located in the state of Washington without first obtaining a license.

3 **2.4 Requirement to Maintain Escrow Fund Account and Segregate Funds.** Based on the
4 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
5 18.44.400(2) and WAC 208-680-410(1) for failing to maintain and segregate funds received from
6 the principal parties to an escrow transaction in a trust account in a recognized Washington state
7 depository.

8 **2.5 Unauthorized Disbursements of Funds.** Based on the Factual Allegations set forth in
9 Section I above, Respondents are in apparent violation of RCW 18.44.301(2) and WAC 208-680-
10 410(15)(b) for to making disbursements for unauthorized purposes.

11 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
12 are in apparent violation of RCW 18.44.301(1), (2), (3), (4), (5), and (7) for directly or indirectly
13 employing any scheme, device, or artifice to defraud or mislead any person; directly or indirectly
14 engaging in an unfair or deceptive practice toward any person; directly or indirectly obtaining
15 property by fraud or misrepresentation; knowingly making, publishing, or disseminating any false,
16 deceptive, or misleading information in the conduct of the business of escrow, or relative to the
17 business of escrow or relative to any person engaged therein; knowingly receiving or taking
18 possession for personal use of any property of any escrow business, other than in payment
19 authorized by this chapter, and with intent to defraud, omit to make, or cause or direct to be made, a
20 full and true entry thereof in the books and accounts of the business; and knowingly make or
21 publish, or concur in making or publishing any written report, exhibit, or statement of its affairs or
22 pecuniary condition containing any material statement which is false, or omit or concur in omitting
23 any statement required by law to be contained therein.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440 and WAC
3 208-680-630(1), if the Director determines after notice and hearing that a person has violated any
4 provision of the Act; or directly, or through an agent or employee, engaged in any false, unfair and
5 deceptive, or misleading business practices; the Director may issue an order requiring the person to
6 cease and desist from the unlawful practice and to take such affirmative action as in the judgment of
7 the Director will carry out the purposes of the Act.

8 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.430(3) and WAC 208-680-
9 640(1)(b), the Director may issue orders removing from office or prohibiting from participation in the
10 conduct of the affairs of any licensed escrow agent, any officer, controlling person, director,
11 employee, licensed escrow officer, or any person subject to licensing under the Act for violating any
12 provisions of the Act or any lawful rules made by the Director pursuant thereto.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3), the Director may impose a fine
14 up to \$100 per day for each day’s violation of the Act.

15 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410, WAC 208-680-620,
16 and WAC 208-680-650, any person investigated by the Director shall pay for the cost of the
17 investigation, calculated at the rate of \$62.50 per hour devoted to the investigation.

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

19 Respondents’ violations of the provisions of chapter 18.44 RCW as set forth in the above
20 Factual Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under
21 RCW 18.44.400, RCW 18.44.410, RCW 18.44.430, RCW 18.44.440 and WAC 208-680-630, which
22 authorize the Director to enforce all laws, rules, and regulations related to the registration of escrow
23 agents and licensing of escrow officers. Therefore, it is the Director’s intent to ORDER that:

- 1 **4.1** Respondents Cecille Nguyen and Cecille Nguyen LLC cease and desist from
2 performing escrow services in the state of Washington until such time as Cecille
3 Nguyen and Cecille Nguyen LLC obtain a license from the Department or meet an
4 exclusion from licensing as delineated in the Act.
- 5 **4.2** Respondents Cecille Nguyen and Cecille Nguyen LLC be prohibited from
6 participation in the conduct of the affairs of any licensed escrow agent to be licensed
7 by the Director.
- 8 **4.3** Respondents Cecille Nguyen and Cecille Nguyen LLC jointly and severally pay a fine.
9 As of the date of this Statement of Charges, the fine totals \$14,500.
- 10 **4.4** Respondents Cecille Nguyen and Cecille Nguyen LLC jointly and severally pay an
11 investigation fee. As of the date of this Statement of Charges, the investigation fee
12 totals \$8,278.12.
- 13 **4.5** Respondents Cecille Nguyen and Cecille Nguyen LLC, its officers, employees, and
14 agents maintain all records involving Washington State escrow transactions within the
15 state of Washington for a period of six years from completion of the escrow
16 transactions.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 18.44.410, RCW
3 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (the
4 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
5 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

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8 Dated this 2nd day of August, 2023.



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/s/
LUCINDA FAZIO, Director
Division of Consumer Services
Department of Financial Institutions

18 Presented by:

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/s/
RACHELLE VILLALOBOS
Financial Legal Examiner

22 Approved by:

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/s/
JACK McCLELLAN
Enforcement Chief