

ORDER SUMMARY – Case Number: C-21-3240

Names: Escrow Services of Washington, LLC
Aurora Lynn Rivera a/k/a Lynn Rivera

Order Number: C-21-3240-22-FO01

Effective Date: 2/25/2022

License Number: 540-EA-131318; 540-DO-22357
Or NMLS Identifier [U/L]

License Effect: Escrow Services of Washington, LLC’s escrow agent license revoked.
Lynn Rivera’s escrow officer license revoked.

Not Apply Until: Lynn Rivera is permanently banned from escrow industry

Not Eligible Until: Lynn Rivera is permanently banned from escrow industry

Prohibition/Ban Until: Lynn Rivera is permanently banned from escrow industry

Investigation Costs	\$10,000		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$10,000	Due	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	\$1,968,869.50	Due	Paid <input type="checkbox"/> Y <input checked="" 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:	Unknown		

Comments: Respondents must cease and desist from their unlawful practices, from accepting new clients, and from making any deposits or withdrawals from the trust or operating accounts of Escrow Services of Washington, LLC. Respondents are required to produce certain record and information to the Department, notify customers of open accounts of the Temporary Order attached to the Final Order, and cooperate with the Department’s investigation.

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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:

No.: C-21-3240-22-FO01

ESCROW SERVICES OF WASHINGTON,
LLC, and
LYNN RIVERA, Owner and Designated Escrow
Officer,

FINAL ORDER

Respondents.

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 Director Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1).

On November 18, 2021, the Director, through the Director's designee, issued a Temporary Order to Cease and Desist and Take Affirmative Action (Temporary Order) against Escrow Services of Washington, LLC and Lynn Rivera (Respondents). A copy of the Temporary Order is attached and incorporated into this order by this reference. The Temporary Order was accompanied by a cover letter dated November 19, 2021, Notices of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing (collectively, Temporary Order accompanying documents).

On November 19, 2021, the Department served Respondents with the Temporary Order and the Temporary Order accompanying documents by First-Class mail at Respondents' business address 6947 Coal Creek Parkway SE, # 187, Newcastle, Washington 98059. The documents served at that address were not returned to the Department as undeliverable.

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

4 On January 18, 2022, the Director, through the Director's designee, issued a Statement of
5 Charges and Notice of Intent to Enter an Order to Cease and Desist, Take Affirmative Action,
6 Revoke Licenses, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Examination
7 and Investigation Costs (Statement of Charges) against Respondents. A copy of the Statement of
8 Charges is attached and incorporated into this order by this reference. The Statement of Charges was
9 accompanied by a cover letter dated January 20, 2022, Notices of Opportunity to Defend and
10 Opportunity for Hearing, and blank Applications for Adjudicative Hearing (collectively, Statement of
11 Charges accompanying documents).

12 On January 20, 2022, the Department served Respondents with the Statement of Charges and
13 Statement of Charges accompanying documents by First-Class mail and FedEx Overnight Delivery at
14 Respondents' business address 6947 Coal Creek Parkway SE, No. 187, Newcastle, Washington
15 98059 and Lynn Rivera's residence. The documents sent to those addresses via USPS First-Class
16 mail were not returned to the Department as undeliverable. The Department received confirmation
17 that the documents served by FedEx Overnight Delivery were delivered on January 21, 2022.

18 Respondents did not request an adjudicative hearing within twenty calendar days after the
19 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
20 in WAC 208-08-050(2). The Department received Escrow Services of Washington, LLC's request
21 for a hearing dated February 14, 2022, on February 16, 2022. As of the date of this Final Order, the
22 Department has not received a request for hearing from Lynn Rivera.

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1 B. Record Presented. The record presented to the Director's designee for her review and
2 for entry of a final decision included the following:

- 3 1. Temporary Order, cover letter dated November 19, 2021, Notices of Opportunity
4 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative
Hearing for Respondents, with documentation of service.
- 5 2. Statement of Charges, cover letter dated January 20, 2022, Notices of Opportunity
6 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative
Hearing for Respondents, with documentation for service.
- 7 3. Application for Adjudicative Hearing for Respondent Escrow Services of
8 Washington, LLC received February 16, 2022.

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

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents Escrow Services of Washington, LLC and Lynn Rivera cease and
17 desist from the unlawful practices detailed in Section II of the Temporary Order
18 and Section II of the Statement of Charges, accepting new escrow service
customers, and accepting or dispersing any funds from the trust or general
operating accounts.
- 19 2. Respondents Escrow Services of Washington, LLC and Lynn Rivera shall, within
20 five business days from the date of this Order, produce to the Department the most
recent IOLTA trust account reconciliation, and bank statements from the IOLTA
trust account and general operating account since January 1, 2021.
- 21 3. Respondents Escrow Services of Washington, LLC and Lynn Rivera shall, within
22 five business days from the date of this Order, produce to the Department a list of
all open escrow accounts.

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4. Respondents Escrow Services of Washington, LLC and Lynn Rivera shall, within ten business days from the date of this Order, produce to the Department copies of all open escrow files.
5. Respondents shall, within five business days from the date of this Order, provide written notice to all principals of open escrow accounts with a copy of and notice of receipt of the Temporary Order. The notice shall afford principals the right to transfer or withdraw open escrow files.
6. Respondents Escrow Services of Washington, LLC and Lynn Rivera shall not withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.
7. Upon the Department's written request, Respondents Escrow Services of Washington, LLC and Lynn Rivera shall immediately take affirmative action to assist the Department's continuing investigation of Respondents' conduct. Such affirmative action includes, but is not limited to, providing the Department with truthful and complete sworn or unsworn statements; timely producing all requested, documents, books, records; and providing any and all other information relevant to this matter.
8. The Escrow Agent license of Respondent Escrow Services of Washington, LLC is revoked.
9. The Escrow Officer license and DEO registration of Respondent Lynn Rivera is revoked.
10. Respondent Lynn Rivera is prohibited from the escrow industry.
11. Respondents Escrow Services of Washington, LLC and Lynn Rivera are jointly and severally liable to make restitution to any and all consumers injured by Respondents' unlawful practices.
12. Respondents Escrow Services of Washington, LLC and Lynn Rivera jointly and severally pay a fine of \$10,000.00 to the Department.
13. Respondents Escrow Services of Washington, LLC and Lynn Rivera jointly and severally pay an examination and investigation fee of \$10,000.00 to the Department.
14. Respondent Escrow Services of Washington, LLC, its officers, employees, and agents maintain all records involving Washington State escrow transactions within the state of Washington for a period of six years from completion of the escrow transactions.

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

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

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

14 D. Judicial Review. Respondents have the right to petition the superior court for judicial
15 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
16 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

17 E. Non-compliance with Order. If Respondents do not comply with the terms of this
18 order, **including payment of any amounts owed within 30 days of receipt of this order**, the
19 Department may seek its enforcement by the Office of the Attorney General to include the collection
20 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
21 to a collection agency for collection.

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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.

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5 DATED this 25th day of February, 2022.



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 *LMFazio*

9 LUCINDA FAZIO, Director
10 Division of Consumer Services

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Escrow Agent Registration Act of Washington by:
5 ESCROW SERVICES OF WASHINGTON, LLC,
and
6 LYNN RIVERA, Owner and Designated Escrow
Officer,
7 Respondents.

No. C-21-3240-22-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENT TO ENTER AN ORDER TO CEASE
AND DESIST, TAKE AFFIRMATIVE ACTION,
REVOKE LICENSES, PROHIBIT FROM
INDUSTRY, ORDER RESTITUTION, IMPOSE
FINE, and COLLECT EXAMINATION
and INVESTIGATION FEES

8 **INTRODUCTION**

9 Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions (Director) is
10 responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (Act).

11 Having conducted an investigation pursuant to RCW 18.44.420, and based upon the facts available as of
12 the date of this Statement of Charges (Charges), the Director, through his designee, Division of
13 Consumer Services Director Lucinda Fazio, institutes this proceeding and finds as follows:

14 **I. FACTUAL ALLEGATIONS**

15 **1.1 Licensing Status of Respondents.**

16 **A.** The Washington State Department of Financial Institutions, Division of Consumer Services
17 (DFI) licensed Respondent Escrow Services of Washington, LLC (Respondent Escrow Services) as an
18 escrow agent on or about January 29, 2021, and it continues to be licensed to date.

19 **B.** DFI licensed Respondent Lynn Rivera (Respondent Rivera), the owner of Respondent Escrow
20 Services, as an escrow officer on or about January 29, 2021. Respondents Escrow Services designated
21 Respondent Rivera as its designated escrow officer (DEO) on the same date, and she continues to be its
22 licensed DEO to date. As DEO and sole employee of Respondent Escrow Services, Respondent Rivera is
23 solely responsible for supervising Respondent Escrow Services' escrow transactions and trust account.

1 **1.2 Conversion and False Statements.** Beginning in September 2021, Respondent Rivera began
2 making unauthorized disbursements of client escrow funds for her own benefit. In her early attempts to
3 explain the situation to her clients, Respondent Rivera falsely claimed that Respondent Escrow Services’
4 bank account had been hacked. In an email Respondent Rivera sent to two of her clients dated November
5 10, 2021, she admitted that “I was not very truthful when I said that there was a problem with my bank,”
6 and explained that she had willfully transferred the client funds under duress.

7 **1.3 Temporary Order to Cease and Desist and Take Affirmative Action.** On November 18, 2021,
8 DFI issued a *Temporary Order to Cease and Desist and Take Affirmative Action* (TCD), number C-21-
9 3240-21-TD01, against Respondent Escrow Services and Respondent Rivers (hereinafter Respondents).
10 A copy of the TCD, which is attached and incorporated herein as though set out in full, took effect
11 immediately when issued, was served on Respondents, and is still in effect.

12 **1.4 Failure to Comply with Director’s Authority.** While Respondent Rivera has produced some of
13 the documents ordered to be produced in the TCD, she has failed to timely produce all requested
14 documents. For example, despite repeated requests, Respondent Rivera has not produced the November
15 and December trust and general operating account bank statements for Respondent Escrow Services.

16 **1.5 Admissions.** Respondent Rivera has provided DFI with statements and documents admitting that
17 she, without authorization, disbursed client escrow funds from four different escrow accounts to
18 unknown parties. Respondent Rivera provided DFI with the four escrow files, which based on DFI’s
19 analysis indicate the total estimated losses appears to be \$ 1,968,869.50.

20 **1.6 On-Going Investigation.** DFI’s investigation into the alleged violations of the Act by Respondents
21 continues to date.

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

2 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
3 apparent violation of:

- 4 A. RCW 18.44.301(3) for directly or indirectly obtaining property by fraud or misrepresentation;
- 5 B. RCW 18.44.301(4) for knowingly making or disseminating any false, deceptive, or misleading
6 information relative to the business of escrow;
- 7 C. RCW 18.44.301(5) for knowingly taking possession for personal use any property of any
8 escrow business, and with intent to defraud, omit to make a full and true entry thereof in the
9 books and accounts of the business; and

9 **2.2 Requirement to Comply with Director’s Authority.** Based on the Factual Allegations set forth in
10 Section I above, Respondents are in apparent violation of RCW 18.44.420 by failing to provide
11 documents and other materials required by the Director.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Issue an Order to Cease and Desist and Take Affirmative Action.** Pursuant to
14 RCW 18.44.440, if the Director determines, after notice and hearing, that a person has violated any
15 provision of the Act or violated any lawful order of the Director, the Director may issue an order
16 requiring the person to cease and desist from the unlawful practice and to take such affirmative action as
17 in the judgment of the Director will carry out the purposes of the Act.

18 **3.2 Authority to Revoke Licenses.** Pursuant to RCW 18.44.430, the Director may revoke the license
19 of any escrow agent or escrow officer if the Director finds that the agent or officer has violated any of the
20 provisions of the Act; has converted any client funds to his or her own use; has failed, upon demand, to
21 produce to DFI any document; or has committed acts, or engaged in conduct, that demonstrates the
22 licensee to be incompetent or untrustworthy, or a source of injury and loss to the public.

1 **3.3 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.430(3), the Director may prohibit
2 from participation in the affairs of any licensed escrow officer.

3 **3.4 Authority to Order Fines.** Pursuant to RCW 18.44.430(3), the Director may order a licensed
4 escrow agent or escrow officer to pay fine of up to \$100 per day for each violation of the Act.

5 **3.5 Authority to Order Restitution.** Pursuant to RCW 18.44.430(4), the Director may order an escrow
6 agent or licensed escrow officer to make restitution to injured consumers.

7 **3.6 Authority to Collect Examination and Investigation Fees.** Pursuant to RCW 18.44.410, WAC
8 208-680-610, WAC 208-680-620, and WAC 208-680-650, every licensee examined or investigated by
9 the Director shall pay for the cost of the examination or investigation, calculated at the rate of \$62.50 per
10 hour devoted to the examination or investigation.

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

12 Respondents' violations of the provisions of chapter 18.44 RCW as set forth in the above Factual
13 Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under RCW
14 18.44.410, RCW 18.44.430, and WAC 208-680-630, which authorize the Director to enforce the Act.
15 Therefore, it is the Director's intent to ORDER that:

16 **4.1** Respondent Escrow Services of Washington, LLC and Respondent Lynn Rivera
17 immediately cease and desist the unlawful practices detailed in Section II of these
Charges.

18 **4.2** Respondent Escrow Services of Washington, LLC and Respondent Lynn Rivera
19 immediately cease and desist from accepting new escrow service customers, and not
accept or disperse any funds from the trust or general operating accounts.

20 **4.3** The Escrow Agent license of Respondent Escrow Services of Washington, LLC be
21 revoked.

22 **4.4** The Escrow Officer license and DEO registration of Respondent Lynn Rivera be
revoked.

23 **4.5** Respondent Lynn Rivera be prohibited from the escrow industry.

