

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

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,

Respondents.

No. C-21-3240-21-TD01

TEMPORARY ORDER TO
CEASE AND DESIST AND TAKE
AFFIRMATIVE ACTION

7
8 **THE STATE OF WASHINGTON TO:** Escrow Services of Washington, LLC and Lynn Rivera

9 COMES NOW the Director of the Washington State Department of Financial Institutions (Director),
10 by and through his designee Lucinda Fazio, Division Director, Division of Consumer Services (designee),
11 and finding that the public interest will likely to be irreparably harmed by delay in issuing an order to cease
12 and desist, enters this Temporary Order to Cease and Desist and Take Affirmative Action (Order) pursuant
13 to chapter 18.44 RCW, the Escrow Agent Registration Act of Washington (Act), based on the following:

14 **I. FACTUAL FINDINGS**

15 **1.1 Licensing Status of Respondents.**

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

19 B. The Department licensed Respondent Lynn Rivera (Respondent Rivera), the owner of
20 Respondent Escrow Services, as its Designated Escrow Officer (DEO) on or about January 29, 2021,
21 and she continues to be licensed to date. Respondent Rivera is also licensed by the Washington State Bar
22 Association (WSBA) as a Limited Practice Officer (LPO), and is required to maintain an Interest on
23 Attorney Trust Account (IOLTA) to practice as a LPO.

1 **1.2 Failure to Properly Manage Trust Account Funds.** On or about on September 15, 2021,
2 Respondent Rivera sent a \$3.5 million wire transfer to an unknown person or entity purportedly in
3 Turkey. Based on information and belief, while some of those funds came from a refinance of her
4 residential real estate, approximately \$1.5 million of those funds came from Respondent Escrow
5 Service’s IOLTA trust account. None of the funds transferred from the IOLTA account were done
6 pursuant to written escrow instructions authorized by clients of Respondent Escrow Service.

7 **1.3** Beginning in October 2021, when closing disbursements from Respondent Escrow Service were
8 not being made, Respondent Rivera initially explained to her clients that her bank account had been
9 hacked. Though she repeatedly promised that she would make the transfers, and that the money was
10 coming, Respondent Escrow Service never made any additional disbursements.

11 **1.4** On or about October 25, 2021, Respondent Rivera, acting on behalf of Respondent Escrow
12 Services, filed a complaint with the Federal Bureau of Investigation’s Internet Crime Complaint Center
13 (IC3). In her complaint, Respondent Rivera claimed that she had been subject to an extortion scheme;
14 that on September 15, 2021, she had wire transferred \$3.5 million to Turkey to assist a friend who was
15 purportedly in danger; and that she was in fear for her life. Respondent Rivera digitally signed her
16 complaint, affirming that the information provided was true and accurate to the best of her knowledge,
17 and did so under penalty of Title 18 U.S.C Section 1001.

18 **1.5** On or about November 10, 2021, Respondent Rivera sent an e-mail to some of Respondent Escrow
19 Services’ clients, admitting that she had not been “very truthful when I said that there was a problem
20 with my bank.” She included a copy of the IC3 complaint she had filed with the FBI.

21 **1.6** Since November 4, 2021, the Department has received three consumer complaints regarding
22 escrow funds that Respondent Escrow Services either completely failed to distribute or were distributed
23 via a Non-Sufficient Funds (NSF) check. Based on information and belief, approximately \$1.5 million
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1 from Respondent Escrow Services' IOLTA trust fund that was transferred to Turkey was not authorized
2 by the clients of Respondent Escrow Services, and the IOLTA trust fund is out of balance.

3 **1.7 Substantial Injury to Public.** The effect of the above-described conduct by Respondent Escrow
4 Services and Respondent Rivera (hereinafter Respondents) is that the public interest will be irreparably
5 harmed by delay in issuing an order to cease and desist.

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

7 **2.1** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent
8 violation of RCW 18.44.301(1) through (3) for directly or indirectly engaging in an any scheme, device,
9 or artifice to defraud or mislead any person; engaging in any unfair practice toward any person; and
10 directly or indirectly obtaining property by fraud or misrepresentation.

11 **2.2** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent
12 violation of WAC 208-680-550 and RCW 18.44.301(2) for intentionally or negligently failing to
13 perform all acts required of the escrow agent as expeditiously as possible.

14 **III. AUTHORITY**

15 **3.1 Authority to Issue Temporary Order to Cease and Desist and Take Affirmative Action.**

16 Pursuant to RCW 18.44.440, if the Director or his designee makes a finding of fact in writing that the
17 public interest will be irreparably harmed by delay in issuing an order to cease and desist, the Director or
18 his designee may issue a temporary cease and desist order.

19 **IV. ORDER**

20 Based on the above Factual Findings, Grounds for Entry of Order, and Authority, and pursuant to
21 RCW 18.44.440, the Director's designee finds that the public interest will be irreparably harmed by a
22 delay in entering a cease and desist order. Therefore, the Director's designee ORDERS that:

23 **4.1** Respondents shall immediately cease and desist from the unlawful practices alleged in Section
24 II, the Grounds for Entry of Order.

1 FAILURE TO COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE
2 HEARING SO THAT IT IS RECEIVED BY THE DEPARTMENT WITHIN TWENTY (20) DAYS OF
3 THE DATE THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL
4 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING.

5 SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL, POSTAGE PREPAID, TO
6 YOUR LAST KNOWN ADDRESS. BE ADVISED THAT DEFAULT WILL RESULT IN THIS
7 TEMPORARY ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE TWENTY-
8 FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER.

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10 Entered this 18th day of November 2021.



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

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Presented by:

Approved by:

/S/
ANTHONY W. CARTER
Senior Legal Examiner

/S/
JACK R. McLELLAN
Enforcement Chief