

ORDER SUMMARY – Case Number: C-21-3072

Names: Tom Nguyen and Integrity Escrow, Inc.

Order Number: C-21-3072-21-CO01

Effective Date: 11/10/2021

License Number: N/A

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Paid Fine	\$ 10,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 11/9/2021
Fine Payment	\$10,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Due no later than 45 days after effective date
Stayed Fine	\$10,000	Stayed	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Stayed for two years

Comments: _____

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 INTEGRITY ESCROW, INC., and
TOM NGUYEN, Chief Executive Officer,
6 Respondents.

No.: C-21-3072-21-CO01

7 CONSENT ORDER

8 COMES NOW the Director of the Department of Financial Institutions (Director), through
9 his designee Lucinda Fazio, Division of Consumer Services Director, and Integrity Escrow, Inc.
10 (Respondent Integrity) and Tom Nguyen (Respondent Nguyen), Chief Executive Officer of Integrity
11 Escrow, Inc. (collectively Respondents), and finding that the issues raised in the above-captioned
12 matter may be economically and efficiently settled, agree to the entry of this Consent Order. This
13 Consent Order is entered pursuant to chapter 18.44 of the Revised Code of Washington (RCW), and
14 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

15 **AGREEMENT AND ORDER**

16 The Department of Financial Institutions, Division of Consumer Services (Department) and
17 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
18 No. C-21-3072-21-SC01 (Statement of Charges), entered September 30, 2021, (copy attached
19 hereto). Pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act (Act), and RCW
20 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry
21 of this Consent Order and further agree that the issues raised in the above-captioned matter may be
22 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
23 Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the
Statement of Charges in consideration of the terms of this Consent Order.

1 Based upon the foregoing:

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

4 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
5 hearing before an administrative law judge (ALJ), and hereby waive their right to a hearing and any
6 and all administrative and judicial review of the issues raised in this matter, or of the resolution
7 reached herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the
8 Office of Administrative Hearings (OAH).

9 **C. No Admission of Liability.** It is AGREED that Respondents neither admit nor deny any
10 wrongdoing by the entry of this Consent Order.

11 **D. Escrow Agent License Required.** It is AGREED that Respondents understand that in
12 order to perform any functions of an escrow agent in the state of Washington or with respect to
13 transactions that involve personal property or real property located in the state of Washington,
14 Respondents must obtain a valid license issued by the director pursuant to the Act or qualify for an
15 exemption from the Act. It is further AGREED that Respondents will not perform or advertise the
16 ability to perform any functions of an escrow agent in the state of Washington or with respect to
17 transactions that involve personal property or real property located in the state of Washington until
18 such time as Respondents obtain a license in accordance with the Act or qualifies for an exemption
19 from the Act.

20 **E. Fine (Partially Stayed).** It is AGREED that Respondents shall jointly and severally pay a
21 fine to the Department in the amount of \$30,000. It is FURTHER AGREED that Respondents shall
22 pay \$10,000 of the fine upon entry of this Consent Order in the form of a cashier's check made
23 payable to the "Washington State Treasurer." It is FURTHER AGREED that Respondents shall

1 make another payment of \$10,000 in the form of a cashier's check made payable to the "Washington
2 State Treasurer." no later than 45 days after the date of entry of this Consent Order. Payment of the
3 remaining \$10,000 shall be stayed for a period of two years from the date of entry of this Consent
4 Order (Stayed Fine), contingent upon Respondent's compliance with this Consent Order and
5 compliance with the Act. It is AGREED that absent an action by the Department to lift the Stayed
6 Fine pursuant to Paragraph F, the Stayed Fine shall expire two years from the date of entry of this
7 Consent Order and shall no longer be payable.

8 **F. Lifting of Stay and Imposition of Stayed Fine.** It is AGREED that:

- 9 1. If, during the period of the Stayed Fine, the Department determines Respondents
10 have not complied with this Consent Order or the Act, and the Department seeks to
11 lift the stay and impose the Stayed Fine, the Department will first serve Respondents
12 with a written notice of alleged noncompliance.
- 13 2. The Department's written notice of alleged noncompliance will include:
14 a. A description of the alleged noncompliance;
15 b. A statement that the Department seeks to lift the stay and impose the Stayed Fine;
16 c. Notice that Respondents can contest the notice of alleged noncompliance by
17 requesting an adjudicative hearing before an ALJ from OAH; and
18 d. Notice that the process for lifting the stay applies only to this Consent Order.
- 19 3. Respondents have twenty (20) days from the date of service of the notice of alleged
20 noncompliance to submit a written request to the Department for an adjudicative
21 hearing.
- 22 4. The scope and issues of the adjudicative hearing, if requested, will be limited solely
23 to whether or not Respondents are in violation of the terms of this Consent Order or
24 the Act.
5. At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.
Any party may file a Petition for Review of that initial decision with the Director of
the Department.
6. Default. If Respondents do not timely request an adjudicative hearing, the
Department may lift the stay and impose the Stayed Fine without further notice.

1 **G. Records Retention.** It is AGREED that Respondent Integrity, its officers, employees,
2 and agents shall maintain records in compliance with the Act and provide the Director with the
3 location of the books, records and other information relating to Respondent Integrity’s escrow agent
4 business, and the name, address, email address, and telephone number of the individual responsible
5 for maintenance of such records in compliance with the Act.

6 **H. Authority to Execute Order.** It is AGREED that the undersigned representative has
7 represented and warranted that he has the full power and right to execute this Consent Order on
8 behalf of Respondent Integrity.

9 **I. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
10 Consent Order, which is effective when signed by the Director’s designee.

11 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
12 this Consent Order in its entirety and fully understand and agree to all of the same.

13 **K. Counterparts.** This Consent Order may be executed by the parties in any number of
14 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
15 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

16 **RESPONDENTS:**

17 Integrity Escrow, Inc.

18 By:

19 _____ /s/

20 Tom Nguyen,
21 Chief Executive Officer

_____ 11/1/21

Date

22 _____ /s/

23 Tom Nguyen
24 Individually

_____ 11/1/21

Date

1 Approved for Entry:

2 _____
3 /s/ _____ Date 11/2/21
4 Jessica M. Creager, WSBA No. 42183
5 Seattle Litigation Group, PLLC
6 Attorney for Respondents

7 **DO NOT WRITE BELOW THIS LINE**

8 THIS ORDER ENTERED THIS 10 DAY OF November, 2021.

9 _____
10 /s/
11 Lucinda Fazio, Director
12 Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:

15 _____
16 /s/
17 KENDALL H. FREED
18 Financial Legal Examiner

19 Approved by:

20 _____
21 /s/
22 JACK R. McCLELLAN
23 Enforcement Chief

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

3 IN THE MATTER OF DETERMINING
4 Whether there has been a violation of the
5 Escrow Agent Registration Act of Washington by:
6 INTEGRITY ESCROW, INC., and
7 TOM NGUYEN, Chief Executive Officer,
8 Respondents.

No.: C-21-3072-21-SC01

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

7
8 INTRODUCTION

9 Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions of the
10 State of Washington (Director) is responsible for the administration of chapter 18.44 RCW, the
11 Escrow Agent Registration Act (Act). After having conducted an investigation pursuant to RCW
12 18.44.420, and based upon the facts available as of the date of this Statement of Charges, the
13 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
14 proceeding and finds as follows:

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. Integrity Escrow, Inc., (Respondent Integrity) has never been licensed by the
18 Department of Financial Institutions of the State of Washington (Department) to conduct business as
19 an escrow agent.

20 B. Tom Nguyen (Respondent Nguyen) is the Chief Executive Officer of Respondent
21 Integrity and has been at all times relevant to this Statement of Charges.

22 1.2 Unlicensed Activity. Between at least August 2019, and August 2020, Respondents
23 performed escrow functions in at least seven mortgage loan transactions related to real property
24 located in Washington. Respondents received a fee or multiple fees for those services.

1 **1.3 Failure to Comply with Director’s Authority.** On October 29, 2020, the Department issued
2 a Subpoena to Provide Documents and Explanation (Subpoena) to Respondents. On November 12,
3 2020, the Department received correspondence from Respondents’ attorney, Michael J. Lancaster,
4 that stated there would be no response to the Subpoena. On November 25, 2020, the Department
5 issued an Enforcement Letter reiterating that Respondents are required to fully respond to the
6 Subpoena. On December 8, 2020, the Department again received correspondence from Respondents’
7 attorney, Michael J. Lancaster, indicating that Respondents would not provide a complete response to
8 the Subpoena. As of the date of this Statement of Charges, Respondents have still not provided the
9 Department with a complete response to the Subpoena.

10 **1.4 Misrepresentations and Omissions.** On at least the following occasions, Respondents
11 advertised on their website, www.integrityescrow.net, that their escrow services were available in
12 Washington: October 28, 2020, April 7, 2021, and September 28, 2021. Respondents disclosed a
13 California Department of Corporations License number on their website and omitted disclosing that
14 Respondents were not licensed to provide escrow services in Washington. In at least one instance on
15 or about October 1, 2020, a Washington licensed consumer loan company directly asked Respondent
16 Integrity if it had a license to perform escrow functions in Washington and Respondent Integrity
17 responded, “We can definitely service the state of WA.”

18 **1.5 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 for engaging in the
10 business of an escrow agent by performing escrows or any of the functions of an escrow agent within
11 the state of Washington or with respect to transactions that involve personal property or real property
12 located in the state of Washington without first obtaining a license.

13 **2.4 Requirement to Comply with Director’s Authority.** Based on the Factual Allegations set
14 forth in Section I above, Respondents are in apparent violation of RCW 18.44.420 by failing to
15 provide documents and other materials required by the Director.

16 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
17 are in apparent violation of RCW 18.44.301(2) &(3) for engaging in an unfair or deceptive practice
18 toward any person and for obtaining property by fraud or misrepresentation.

19 III. AUTHORITY TO IMPOSE SANCTIONS

20 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440 and WAC
21 208-680-630, if the Director determines after notice and hearing that a person has: violated any
22 provision of the Act; or engaged in any false, unfair and deceptive, or misleading advertising or
23 business practices; the director may issue an order requiring the person to cease and desist from the
24 unlawful practice.

1 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.430(3), the Director may
2 issue orders removing from office or prohibiting from participation in the conduct of the affairs of
3 any licensed escrow agent, any officer, controlling person, director, employee, or licensed escrow
4 officer, for violating any provisions of the Act or rules made by the Director pursuant thereto.

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

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

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

13 **4.1** Respondents Integrity Escrow, Inc., and Tom Nguyen cease and desist from
14 performing and advertising the ability to perform escrow services within the state of
15 Washington or with respect to transactions that involve personal property or real
16 property located in the state of Washington until such time as they obtain a license
17 from the Department to provide such services or meet an exclusion from licensing as
18 delineated in the Act.

19 **4.2** Respondents Integrity Escrow, Inc., and Tom Nguyen be prohibited from participation
20 in the conduct of the affairs of any licensed escrow agent for a period of five years.

21 **4.3** Respondents Integrity Escrow, Inc., and Tom Nguyen jointly and severally pay a fine.
22 As of the date of this Statement of Charges, the fine totals \$40,000.00.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Prohibit from the Industry, and Impose Fine (Statement of Charges) is entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (the Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the Notice of Opportunity for Adjudicative Hearing and to Defend accompanying this Statement of Charges.

Dated this 30th day of September, 2021.

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

Presented by:

 /s/
 KENDALL H. FREED
 Financial Legal Examiner