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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:

CALCOUNTIES TITLE NATION CO. fka,  
CALIFORNIA COUNTIES TITLE, CO.,

Respondent.

NO. C-09-183-09-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO IMPOSE FINE  
AND COLLECT INVESTIGATION FEE

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**INTRODUCTION**

Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions (Director) is responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (the Act). After having conducted an investigation pursuant to RCW 18.44.420 and WAC 208-680G-020, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Deborah Bortner, Division Director, Division of Consumer Services, institutes this proceeding and finds as follows:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Calcounties Title Nation Co. fka California Counties Title Co., (Calcounties)**

is headquartered in Irvine, California. Respondent Calcounties has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent in the State of Washington. On June 17, 2009, Respondent Calcounties filed with the Department an Agreement to Cease and Desist from performing escrow functions for Washington transactions without a license issued by the Department.

**1.2 Unlicensed Activity.** Between at least January 1, 2008, and May 13, 2009, Respondent Calcounties performed escrow functions in at least 72 Washington residential mortgage loan transactions.

Respondent Calcounties received approximately \$30,000 as "escrow fees" for those loans.

1 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act  
2 by Respondent Calcounties continues to date.

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

4 **2.1 Definition of Escrow.** Pursuant to RCW 18.44.011(4), "Escrow" means any transaction wherein  
5 any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer,  
6 encumbrance, or lease of real or personal property to another person or persons, delivers any written  
7 instrument, money, evidence of title to real or personal property, or other thing of value to a third  
8 person to be held by such third person until the happening of a specified event or the performance of a  
9 prescribed condition or conditions, when it is then to be delivered by such third person, in compliance  
10 with instructions under which he or she is to act, to a grantee, grantor, promisee, promisor, obligee,  
11 obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

12 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(6) "Escrow Agent" means any person  
13 engaged in the business of performing for compensation the duties of the third person referred to in  
14 RCW 18.44.011(4).

15 **2.3 Requirement to Obtain and Maintain License.** Based on the factual allegations set forth in  
16 Section I above, Respondent Cal. Counties is in apparent violation of RCW 18.44.021 for engaging in  
17 business as an escrow agent by performing escrows or any of the functions of an escrow agent within  
18 the State of Washington or with respect to transactions that involve personal property or real property  
19 located in the State of Washington without first obtaining a license.  
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22 **III. AUTHORITY TO IMPOSE SANCTIONS**

23 **3.1 Authority to Impose Fines.** Pursuant to RCW 18.44.430(3) and WAC 208-680G-040(3), in  
24 addition to or in lieu of license denial the Director may impose a fine of up to \$100 per day for each day's  
25 violation of the Act.

1 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680G-  
2 050, the expense of an investigation pursuant to WAC 208-680G-020 shall be borne by the entity which  
3 is the subject of the investigation.

4 **IV. NOTICE OF INTENTION TO ENTER ORDER**

5 Respondent's violations of the provisions of chapter 18.44 RCW as set forth in the above Factual  
6 Allegations and Grounds For Entry Of Order constitute a basis for the entry of an Order under RCW  
7 18.44.410, RCW 18.44.430, RCW 18.44.301, and WAC 208-680G-030, which authorize the Director to  
8 enforce all laws, rules, and regulations related to the registration of escrow agents and licensing of escrow  
9 officers. Therefore, it is the Director's intention to ORDER that:

- 10 **4.1** Respondent Calcounties Title Nation Co. fka California Counties Title Co., pay a fine  
11 which as of the date of these charges totals \$20,000; and
- 12 **4.2** Respondent Calcounties Title Nation Co. fka California Counties Title Co., pay an  
13 investigation fee which as of the date of these charges totals \$687.50, calculated at  
14 \$62.50 per hour for eleven staff hours devoted to the investigation to date; and
- 15 **4.3** Respondent Calcounties Title Nation Co. fka California Counties Title Co., its officers,  
16 employees, and agents maintain all records involving Washington escrow transactions for  
17 a minimum of six years following the closing or termination of the escrow transaction.

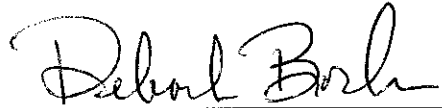
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**V. AUTHORITY AND PROCEDURE**

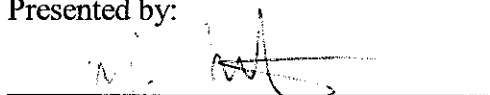
This Statement of Charges and Notice of Intent to Impose Fine and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 18.44.410 and RCW 18.44.430, and is subject to the provisions of chapter 34.05 RCW. Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

DATED this 13<sup>th</sup> day of July, 2009.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
WILLIAM HALSTEAD  
Financial Legal Examiner

Approved by:

  
JAMES R. BRUSSELBACK  
Enforcement Chief