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EXP04

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR KING COUNTY

STATE OF WASHINGTON,
DEPARTMENT OF FINANCIAL
INSTITUTIONS,

Plaintiff,

v.

EXCEPTIONAL ESCROW CORP. and
CATHERINE D. WISEMAN, President and
Designated Escrow Officer,

Defendants.

NO. 07-2-20212-0 TRAIT

STIPULATION AND ORDER
APPOINTING RECEIVER

~~PROPOSED~~

AS

I. STIPULATION

Plaintiff State of Washington, Department of Financial Institutions, Division of Consumer Services ("Department"), by and through its attorneys of record, ROBERT M. MCKENNA, Attorney General, and CHAD C. STANDIFER, Assistant Attorney General, and Defendants, Exceptional Escrow Corp. and Catherine D. Wiseman (collectively "Defendants"), by and through their attorney of record, DAVID A. LEEN, of Leen & O'Sullivan PLLC,

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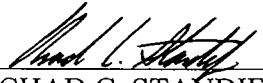
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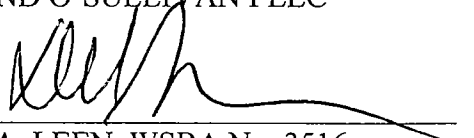
1 hereby stipulate and agree to the entry of the following Order Appointing a Receiver with
2 respect to Exceptional Escrow Corp.

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4 ROBERT M. MCKENNA
Attorney General

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6 
7 CHAD C. STANDIFER, WSBA No. 29724
Assistant Attorney General
8 Attorneys for Department of Financial Institutions

Date 6/19/07

9 LEEN AND O'SULLIVAN PLLC

10 
11 DAVID A. LEEN, WSBA No. 3516
12 Attorney for Exceptional Escrow Corp.
and Catherine D. Wiseman

Date 6/19/07

1 (Director) and the final approval of the Court.

2 c. The Receiver shall prepare a plan for and effect such action as is possible or
3 necessary to assure that Exceptional Escrow's escrow trust account maintains an amount of
4 money sufficient to comply with RCW 18.44, subject to the approval of the Director and the final
5 approval of the Court. The Receiver shall prepare an accounting or reconciliation of Exceptional
6 Escrow Corp.'s trust account(s) in connection with the Receiver's discharge of his duties under
7 this subparagraph.

8 d. The Receiver shall prepare a plan for and effect such other action as is reasonably
9 possible and necessary to assure that Exceptional Escrow Corp. complies fully with chapter 18.44
10 RCW, the Escrow Agent Registration Act, and the rules adopted thereunder, subject to the initial
11 approval of the Director and the final approval of the Court.

12 e. The Receiver is authorized to spend up to \$5,000 without further order of the
13 Court from funds of any source held by Exceptional Escrow Corp. to secure the receivership
14 assets, including but not limited to payment of locksmiths or security guards, payments to secure
15 electronic data, insurance or bond premiums, and such other payments as the Receiver deems
16 necessary in his business judgment, plus the actual costs of the Receiver's bond premium. An
17 accounting of the sources and uses of all such funds shall be included in the Receiver's initial
18 report.

19 f. The Defendants shall fully cooperate with the Receiver in connection with his
20 management and operation of assets of Exceptional Escrow Corp. Each of them shall relinquish
21 and deliver possession to the Receiver upon his demand, and shall turn over to him all escrow
22 files, like property exchange files, records, books, contracts, lease documents, plans and
23 specifications, accounting records, deposits and documents not otherwise secured relating to the
24 financing, management, control, operation and preservation of Exceptional Escrow Corp, as the
25 Receiver may request or demand.

26 g. The Defendants, and all of the officers, directors, managers, agents and employees

1 of Exceptional Escrow Corp., and each of them, are enjoined from interfering with the possession,
2 control and operation of Exceptional Escrow Corp., by the Receiver.

3 h. The Receiver is authorized take such further action as the Court shall deem
4 equitable, just and appropriate under the circumstances upon proper application by the Receiver.

5 3. **Compensation and payments.**

6 a. The Receiver's compensation shall be in the amount of \$225.00 per hour, and the
7 Receiver's paralegals shall be compensated at a rate of \$100.00 per hour. The Receiver shall also
8 be entitled to receive reimbursement for his direct out-of-pocket expenses incurred in connection
9 with his services provided hereunder. The Receiver shall maintain detailed time records of the
10 services performed and of the time expended therein, and shall provide copies of such records to
11 the Court and the Director. The Receiver's total compensation and/or expenses under the order
12 shall not exceed a reasonable amount as determined by the Court, without first obtaining the
13 written consent of all parties to this action or the permission of the Court, at the Receiver's option.

14 b. The Receiver shall have the right to use services of professionals in the law firm of
15 Crocker Kuno Ostrovsky, LLC, at hourly rates not to exceed \$295 to 350 per hour for an attorney
16 and \$90 to \$140 per hour for a paralegal, depending on experience. Except as set forth above, the
17 Receiver shall not engage the services of any other professionals without first obtaining the
18 written consent of all parties to this action or the permission of the Court, at the Receiver's option.

19 c. The fees and expenses of the Receiver and of attorneys or other professionals
20 employed by him pursuant to authority granted by this Court shall be a first and senior lien against
21 the any funds and assets of Exceptional Escrow Corp., subject only to valid and perfected
22 encumbrances, security interests and liens obtained prior to the Receiver's appointment by persons
23 who are not parties to this proceeding and who are determined by the Court not to have been
24 benefited by the Receiver's operation and management of assets of Exceptional Escrow Corp.
25 Payment of compensation of the Receiver and of other authorized professionals, whether on an
26 interim or final basis, shall be made in accordance with RCW 7.60.180.

1 d. No obligation incurred by the Receiver in the good faith performance of his
2 duties in accordance with the orders of this Court whether pursuant to any contract, by reason
3 of any tort, or otherwise, shall be the Receiver's obligation. Rather, the recourse of any person
4 or entity to whom the Receiver becomes obligated in connection with the performance of his
5 duties and responsibilities shall be solely against the assets of the receivership estate.

6 4. **Duration of Appointment.**

7 Termination of the Receiver shall be in accordance with RCW 7.60.290, unless otherwise
8 ordered by the Court.

9 5. **Notices.**

10 Wherever this order authorizes or requires any party, including the Receiver, to obtain
11 Court approval of any action or intended action, notice shall be given to each party to this action,
12 in the manner provided in the Washington Court Rules, unless such time and notice requirements
13 are modified by further Court order.

14 6. **Reports.**

15 The Receiver shall prepare and submit to all interested parties and to the Court a progress
16 report no later than 14 days from the date of this Order of Appointment, and such other reports as
17 required under RCW 7.60.

18 7. **Mediation/Instructions/Termination.**

19 Upon Notice to the parties hereto, the Receiver shall have the right at any time to apply to
20 this Court for further or other instructions, or for a modification of this Order, or for further

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1 powers necessary or appropriate to enable the Receiver to perform his duties properly, or for a
2 termination of his appointment.

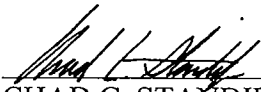
3 DATED this 19th day of June, 2007.

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6 JUDGE/COURT COMMISSIONER *per se*

7 ROD SIMMONS

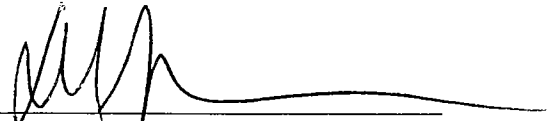
8 Presented by:

9 ROBERT M. MCKENNA
10 Attorney General

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12 CHAD C. STANDIFER, WSBA No. 29724
13 Assistant Attorney General
14 Attorneys for Plaintiffs

15 Approved as to Form and Content:

16 LEEN AND O'SULLIVAN PLLC

17 
18 DAVID A. LEEN, WSBA No. 3516
19 Attorney for Exceptional Escrow Corp.
20 and Catherine D. Wiseman
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