

Escrow Commission Meeting Minutes

June 9, 2009

Attendees:

Commissioners:

Philip Dryden, Chair
Patricia Maddux
Stan Pilon
LaurieLeMay
Chariese Adams
Susan Kinyon

Consumer Services Division Representation:

Deb Bortner, Division Director
Levi Clemmens, Senior Program Manager
James Brusselback, Enforcement Program Manager
Kwadwo Boateng, Examinations Program Manager
Ariana Wood, Customer Service Supervisor
Cindy Fazio, Staff Attorney
Elizabeth Hampton, Administrative Assistant

Additional Guests:

Dennis Daug
Tamara Warnke
Laura Lily
Jim Olson
Todd Kennedy
Nikki Hall
Gary Inman
Jacqueline Tarter

Meeting Called to Order 9:05 a.m.

Commissioner Appointments

Laurie LeMay has been reappointed to the commission. This will be her second term as a commissioner. Stan Pilon did not wish to be reappointed and his term ended in April. He will continue to serve on the commission until we have filled his position. In May, DFI sent a ListServ to recruit for the position but did not receive any applications. The Escrow Association is going to send an announcement out to their organization. Tammie Warnke will follow up on this with the Escrow Association.

Approve Minutes from February 4, 2009, Meeting

Patti Maddux moved to accept the minutes from the February 4, 2009, meeting as written. Laurie LeMay seconded the motion. All were in favor and the minutes were approved.

Licensing Update – Ariana Wood

- 150 - Main offices (145 reported at February meeting)
- 18 - Branch offices (17 reported at February meeting)
- 229 - Escrow Officers (257 reported at February meeting)
- 131 – Inactive Escrow Officers (132 reported at February meeting)
- 2- Companies pending licensure

Exam Report – Kwadwo Boateng

Between February and April 2009, 14 exams were completed.

Composite Rating	Number of Licensees
1	3
2	4
3	4
4	1
5	2

Explanation of examination ratings:

Exam Reports are rated on a 1-5 rating. A rating of 1 is the least amount of violations or findings. Ratings of 4 and 5 are the worst; a 5 rating typically isn't ever rated because at that point there are so many violations and findings the case would be referred to the enforcement unit. A rating of 4 indicates that there were a lot of findings but not sufficient reason to refer to the enforcement unit, typically DFI would go back and do another examination in 6 months or less to make sure that they are in compliance.

All companies submitted their quarterly reports; however, 37 file their reports late. DFI is pursuing truncated exams with those companies. An examiner will spend a couple of hours with them to show DFI's presence and show that the quarterly reports are important tools that we use when scheduling exams.

Escrow Agents referred to the Enforcement Unit: 2

Kwadwo Boateng also shared a FAQ document to answer some of the common questions received by the Examination Unit. The FAQ document will be posted to the commission website in July. View the FAQs at: http://dfi.wa.gov/cs/escrow/escrow_commission.htm .

Enforcement Update – James Brusselback

From January 1, 2009 to March 31, 2009, DFI's Enforcement Unit received 19 complaints and closed 25 complaints. There were 30 open complaints as of March 31, 2009. For all industries, DFI received 425 complaints and closed 686 during this time period. DFI has a total of 1027 open complaints for all industries (all numbers provided are approximate).

Enforcement Actions:

Statement of Charges (issued in period) – 1

Vintage Escrow Inc. dba Bellevue Escrow, & Steven William Lusa, Co-owner & DEO:
01/07/2009 [C-08-245-08-SC01] Examination conducted on or about February 25, 2008.

Final Order (issued in period) – 2

Noreen Cramer: **01/23/2009 [C-01-153-09-FO01]**

Jamieson John Banks: **01/23/2009 [C-03-168-09-FO01]**

Consent Order (issued in period) - 1

National TitleNet LLC: **01/26/2009 [C-08-079-09-CO01]**]

See DFI's website for more details of these actions:

http://www.dfi.wa.gov/cs/adminactions_2009.htm

CR-101 Bonding Rulemaking

DFI has started rulemaking to clarify the bonding requirements. The CR-101 is the starting point of the rulemaking process. In this step, DFI notifies those in the industry that rulemaking is taking place and informs them that we will be seeking their comments and suggestions throughout the rulemaking process.

Old Business

Stan Pilon brought up the issue of title company and attorney exemptions.

New Business

The Escrow Test will be discussed during the Executive Session.

Executive Session begins at 11:00 a.m. (Staff and Commissioners only)

The meeting was adjourned at 10:42 a.m.