



# Escrow Committee Meeting Agenda

Wednesday, April 20, 2016

9:00 a.m.

Webinar

1. Welcome
2. Approve Meeting Minutes from January 14, 2016
3. Rules Update
4. Legislative Update
5. Licensing Update
6. Examination Update
7. Enforcement Update
8. Old Business
9. New Business

## **Committee Members**

Philip Dryden, Chair  
Laurie LeMay  
Patricia Maddux  
Susan Berry  
Angela Kosoff

## **Consumer Services Division Representatives:**

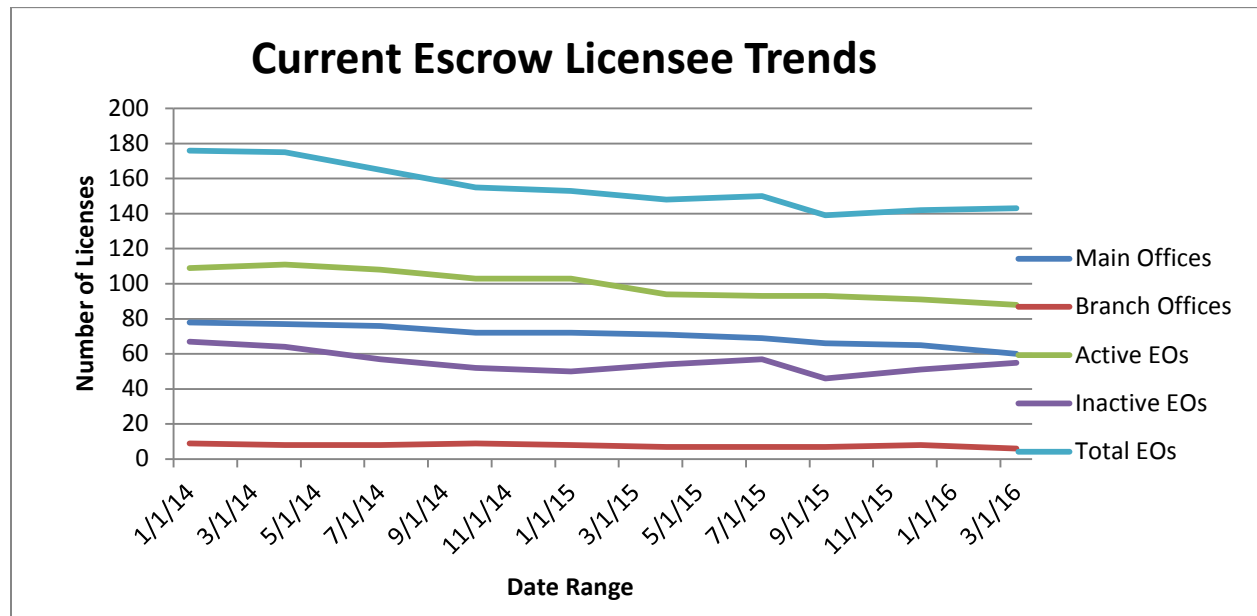
Charles Clark, Division Director  
Cindy Fazio, Chief of Regulatory Affairs  
Steven Sherman, Enforcement Program Manager  
Rick St. Onge, Examinations Program Manager  
Joepaul Wong, Examinations Supervisor  
Alan Leingang, Examinations Supervisor  
Lorenda Lillard, Licensing Program Manager  
Dawn Woolery, Licensing Management Analyst  
Ellen Daly, Webinar Facilitator

# Escrow Commission

## Licensing Unit Quarterly Report

April 20, 2016

	3/31/16	12/29/15
Main Offices	60 (-5)	65
Branch Offices	6 (-2)	8
Active EOs	88 (-3)	91
Inactive EOs	55 (+4)	51
Total EOs	143 (+1)	142



# CS - Examination Unit Report

## Escrow Program

Escrow Commission Meeting

April 20, 2016

### Examination Summary

- 3 Exams completed in January
  - 3 Exams completed in February
  - 4 Exams completed in March
- } 10 exams completed from January through March 2016

Average number of violations per exam: 3

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	2	\$ 1,446.09	\$ 1,460.94	\$ 14.85
2	6	\$ 1,940.75	\$ 1,955.72	\$ 14.97
3	2	\$ 2,750.00	\$ 2,720.24	\$ (29.76)
4	0	\$ 4,112.50	N/A	N/A
5	0	\$ 19,343.75	N/A	N/A

### Common Violations

#### 1. Failed to properly administer outstanding instruments

Five Escrow Agents were cited for failing to clear overdue or stale-dated outstanding checks.

#### 2. Failed to maintain trust account records

- Four Escrow Agents were cited for failing to maintain required reconciliation reports.
- Three Escrow Agents were cited for failing to maintain reconciliation reports that list the escrow transaction numbers.
- Three Escrow Agents were cited for failing to obtain the endorsement-side of imaged trust account checks.

**Escrow Committee**  
**Enforcement Unit Quarterly Report**  
**January 1, 2016 – March 31, 2016**

<b>Complaints</b>	<b>EARA Quarter</b>	<b>EARA 2016</b>	<b>All Industries Quarter</b>
Received in period	16	16	328
Closed in period	12	12	318
Open as of 3/31/2016 (all industries)	n/a	n/a	291

**Investigations**

Investigations – Pending (EARA only)	9
Investigations – Closed in Period (all industries) (Includes investigations moved to Pending Enforcement status)	33

Enforcement Actions 1st Quarter	
CCSA	2
CLA	15
EARA	3
MBPA	2
UMSA	1

**Enforcement Actions – EARA**

<b>Statement of Charges (issued in period)</b>	<b>0</b>
<b>Consent Orders (issued in period)</b>	<b>3</b>
<b>Criminal Referrals</b>	<b>0</b>
<b>Final Orders (issued in period)</b>	<b>0</b>
<b>Civil Actions: (injunction, enforce subpoena)</b>	<b>0</b>

**Simplex Escrow, Inc. and Anh Hoang 2/25/2016 [C-15-1692-16-CO01]**

The Department received evidence of unlicensed activity between June 2013 and November 2014 by Respondents Simplex Escrow and Anh Hoang for performing escrow functions in at least 68 Washington State mortgage loan transactions and not satisfying an exception to the licensing requirement under the Act. The Department entered a Consent Order agreeing to these terms:

- Respondent Simplex will not engage in the business of an escrow agent in Washington State before obtaining a license or qualifying for an exemption
- Fine: \$14,000
- Investigation Fee: \$1,000

**Title365 Co. 1/28/2016 [C-15-1749-15-CO01]**

Between at least February and March 2011, Respondent Title365 Co. performed escrow functions in at least two residential mortgage loan transactions for property located in Washington State. In at least 12 residential mortgage loan transactions for property located in Washington State, Respondent Title365 Co. collected duplicate fees related to settlement and escrow activity in spite of the fact that the borrowers had already been charged settlement and escrow services fees by another entity. In or around November 2015, Respondent Title365 Co. refunded the full amount of the duplicate fees. The Department entered a Consent Order agreeing to these terms:

- Respondent Title365 Co. will not engage in the business of an escrow agent in Washington State before obtaining a license or qualifying for an exemption
- Prohibition from industry for 5 years
- Restitution: Paid
- Financial Literacy and Education: \$11,000
- Investigation Fee: \$1,000

**Pinnacle Northwest Escrow, LLC and Michele J. Roberts 2/29/2016 [C-15-1778-16-CO01]**

The Department issued a Statement of Charges alleging Respondent Pinnacle Northwest Escrow and Michele J. Roberts failed to comply with the Director's authority in preparation for an examination and was late in filing quarterly reports. The Department entered a Consent Order agreeing to these terms:

- Fine: \$1,750
- 3 year Revocation stayed for 18 months
- Investigation Fee: \$250