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:	NO. C-09-029-10-CO01
INTEGRITY CLOSING AND ESCROW, LLC, DENNIS E. CHILBERG, 47.5% Owner, ALOAR D. DURHEIM, 47.5% Owner, and DARALEE B. NEISESS, 5% Owner and Designated Escrow Officer, Respondents.	CONSENT ORDER DENNIS E. CHILBERG

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Dennis E. Chilberg (Respondent Chilberg), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled solely as they relate to Respondent Chilberg, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 18.44 of the Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Chilberg have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-029-09-SC01 (Statement of Charges), entered January 8, 2010 (copy attached hereto), solely as they relate to Respondent Chilberg. Pursuant to chapter 18.44 RCW, the Escrow Agent

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Registration Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent Chilberg hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter, solely as they relate to Respondent Chilberg, may be economically and efficiently settled by entry of this Consent Order. The Department and Respondent Chilberg intend this Consent Order to fully resolve the Statement of Charges solely as they relate to Respondent Chilberg. Respondent Chilberg is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

B. **Waiver of Hearing.** It is AGREED that Respondent Chilberg has been informed of the right to a hearing before an administrative law judge, and that he hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, by his signature below, Respondent Chilberg hereby withdraws his appeal.

C. **No Admission of Liability.** It is AGREED that Respondent Chilberg does not admit to any wrongdoing by entry of this Consent Order.

D. **License Revocation.** It is AGREED that on or about March 1, 2009, Respondent Chilberg sold his interest in Respondent Integrity Closing and Escrow, LLC to Respondent Durheim and, therefore, Respondent Chilberg has no ownership interest in or right to argue or be otherwise heard regarding the revocation of the Escrow Agent license of Respondents Integrity Closing and Escrow, LLC, Aloar D. Durheim, and Daralee B. Neisess.

E. **Fine.** It is AGREED that Respondent Chilberg shall pay to the Department a fine of $1,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

F. **Agreement not to Apply.** It is AGREED that Respondent Chilberg, individually or in his capacity as an owner, principal, share holder, or holder of any other type of ownership interest, shall not apply for a license to conduct business as an Escrow Agent or Escrow Officer for five years from the date of entry of this Consent Order.

G. **Complete Cooperation with the Department and the Office of the Attorney General.** It is AGREED that Respondent Chilberg shall provide the Department with a truthful and complete sworn statement outlining his knowledge of and activities with respect to Respondent Integrity Closing and Escrow, LLC and any and all persons involved or in any way associated with Respondent Integrity Closing and Escrow, LLC. The "sworn statements" may take the form of affidavits, declarations, or deposition testimony at the Department's and the Office of the Attorney General's discretion. It is further AGREED that Respondent Chilberg shall testify fully, truthfully, and completely at any proceeding related to the Department's investigation and enforcement action related to this matter, including, but not limited to, Respondents Integrity Closing and Escrow, LLC, Aloar D. Durheim, and Daralee B. Neisess.

H. **Non-Compliance with Order.** It is AGREED that Respondent Chilberg understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondent Chilberg may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

I. **Voluntarily Entered.** It is AGREED that Respondent Chilberg has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

J. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Chilberg has read this Consent Order in its entirety and fully understands and agrees to all of the same.

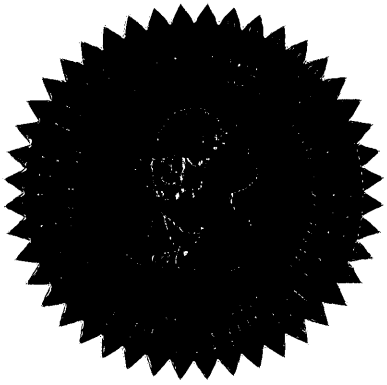
RESPONDENT:

Dennis E. Chilberg
Individually

Date 7/06/10

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 9th DAY OF July, 2010.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief

STATE OF WASHINGTON
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IN THE MATTER OF DETERMINING Whether there has been a violation of the Escrow Agent Registration Act of Washington by: INTEGRITY ESCROW AND CLOSING, LLC, DENNIS E. CHILBERG, 47.5% Owner, ALOAR D. DURHEIM, 47.5% Owner, and DARALEE B. NEISESS, 5% Owner and Designated Escrow Officer, Respondents.	NO. C-09-029-09-SC01 STATEMENT OF CHARGES and NOTICE OF INTENT TO REVOKE ESCROW OFFICER LICENSE, PROHIBIT FROM INDUSTRY, IMPOSE FINE, COLLECT EXAMINATION FEE, AND COLLECT INVESTIGATION FEE

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 Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Integrity Escrow and Closing, LLC, (Respondent Integrity) was licensed by the Department to conduct the business of an escrow agent on December 10, 2008. Respondent Integrity surrendered its license effective August 31, 2009. Respondent Integrity was licensed to conduct business from one location at 1403 W. 3rd Avenue, Spokane, Washington.

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B. **Dennis E. Chilberg** is 47.5% owner of Respondent Integrity.

C. **Aloar D. Durheim** is 47.5% owner of Respondent Integrity.

D. **Daralee B. Neisess (Respondent Neisess)** is 5% owner and Designated Escrow Officer (DEO) of Respondent Integrity. Respondent Neisess was appointed DEO for Respondent Integrity on December 10, 2008, and continues to be licensed to date.

1.2 **Unlicensed Activity.** Between August 1, 2008, and December 9, 2008, Respondents provided escrow services in at least 17 Washington real estate transactions. Respondents received fees totaling $11,169.40 for these escrow services.

1.3 **Failure to Pay Exam Fee.** In August 2009, the Department examined Respondents' business practices and issued Respondents an invoice for $3,000 for the examination fee. Payment in full was due no later than September 16, 2009. To date, Respondents have not paid the examination fee, which continues to accrue interest at the rate of 12% per annum.

1.4 **On-Going Investigation.** The Department's investigation into the alleged violations of the Act by Respondents continues to date.

II. GROUNDS FOR ENTRY OF ORDER

2.1 **Prohibition Against Unlicensed Activity.** Based on the factual allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.021 for conducting escrow transactions before their license was issued.

2.2 **Requirement to Pay Examination Fee.** Based on the factual allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.430(1)(e) and WAC 208-680G-050 for failing to pay the examination fee within 30 days of invoice.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Revoke License. Pursuant to RCW 18.44.430(1)(b), the Director may revoke the license of any escrow officer for violating any of the provisions of the Act or any lawful rules made by the Director pursuant to the Act.

3.2 Authority to Prohibit from the Industry. Pursuant to RCW 18.44.430(3), in addition to or in lieu of license denial the Director may remove and/or prohibit from participation in the conduct of the affairs of a licensed escrow agent, any officer, controlling person, director, employee, or licensed escrow officer.

3.3 Authority to Impose Fine. Pursuant to RCW 18.44.430(3) and WAC 208-680G-040(3), in addition to or in lieu of license denial the Director may impose a fine of up to $100 per day for each day's violation of the Act or rules adopted thereunder.

3.4 Authority to Collect Examination and Investigation Fees Pursuant to RCW 18.44.410 and WAC 208-680G-050, the expense of an examination pursuant to WAC 208-680G-010 or an investigation pursuant to WAC 208-680G-020 shall be borne by the entity which is the subject of the investigation.

IV. NOTICE OF INTENTION TO ENTER ORDER

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

4.1 Respondent Daralee B. Neisess, license to conduct the business of an escrow officer be revoked;

4.2 Respondents Integrity Closing & Escrow, LLC, Dennis E. Chilberg, Aloar D. Durheim, and Daralee B. Neisess be prohibited from participating in the conduct of the affairs of any licensed escrow agent, as officer, controlling person, director, employee, licensed escrow officer, or designated escrow officer.

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4.3 Respondents Integrity Closing & Escrow, LLC, Dennis E. Chilberg, Aloar D. Durheim, and Daralee B. Neisess jointly and severally pay a fine which as of the date of these charges totals $15,000;

4.5 Respondents Integrity Closing & Escrow, LLC, Dennis E. Chilberg, Aloar D. Durheim, and Daralee B. Neisess jointly and severally pay an examination fee which as of the date of these charges totals $3,000.00, calculated at $62.50 per hour for 48 staff hours devoted to the examination, plus accrued interest;

4.6 Respondents Integrity Closing & Escrow, LLC, Dennis E. Chilberg, Aloar D. Durheim, and Daralee B. Neisess jointly and severally pay an investigation fee which as of the date of these charges totals $812.50, calculated at $62.50 per hour for 13 staff hours devoted to the investigation; and

4.7 Respondents Integrity Closing & Escrow, LLC, Dennis E. Chilberg, Aloar D. Durheim, and Daralee B. Neisess maintain all records involving Washington escrow transactions for 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 Revoke Escrow Officer License, Prohibit from Industry, Impose Fine, Collect Examination Fee, 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. Respondents 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 8th day of January, 2010.

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief