

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-14-1420

Name(s): Diamond Country Escrow, Inc.

Order Number: C-14-1420-14-CO01

Effective Date: December 12, 2014

License Number: Unlicensed
Or NMLS Identifier [U/L]

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$1,146.88	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 12/9/2014
Fine	\$25,000.00	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 12/9/2014
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N			
No. of Victims:		0		

Comments:

Cease and Desist

**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:

DIAMOND COUNTRY ESCROW, INC.,

Respondent.

No.: C-14-1420-14-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Diamond Country Escrow, Inc. (Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, 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 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-14-1420-14-SC01, entered June 4, 2014, (copy attached hereto). Pursuant to chapter 18.44 RCW, the Escrow Agent Registration Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

Based upon the foregoing:

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by the signature of its representative below, withdraw its appeal to
7 the Office of Administrative Hearings.

8 C. **Cease and Desist.** It is AGREED that Respondent shall cease and desist from engaging
9 in the business of an escrow agent by performing escrows or any of the functions of an escrow agent
10 within Washington State or with respect to transactions that involve personal or real property located
11 in Washington State without first obtaining a license.

12 D. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
13 \$25,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
14 entry of this Consent Order.

15 E. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
16 investigation fee of \$1,146.88, in the form of a cashier's check made payable to the "Washington
17 State Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid
18 together in one \$26,146.88 cashier's check made payable to the "Washington State Treasurer."

19 F. **Authority to Execute Order.** It is AGREED that the undersigned has represented and
20 warranted that he or she has the full power and right to execute this Consent Order on behalf of
21 Respondent.

22 G. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
23 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 may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

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

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

RESPONDENT:
Diamond Country Escrow, Inc.

By:

/s/ _____

Individual Larry M Black
Title(s) Secretary

11/25/2014

Date

Approved for Entry:

/s/ _____
Kelly Ann Lennox, WSBA No. 39583
Attorney at Law

Foster Pepper PLLC
Attorney for Respondent

12/5/2014

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 12th DAY OF December, 2019.

/s/ _____

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

1 Presented by:

2 /s/
3 Amanda Herndon
4 Financial Legal Examiner

5 Approved by:

6 /s/
7 Charles E. Clark
8 Enforcement Chief
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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:

DIAMOND COUNTRY ESCROW, INC.,

Respondent.

No.: C-14-1420-14-SC01

**STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
AND MAINTAIN RECORDS**

INTRODUCTION

Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (Act). After having conducted an investigation pursuant to RCW 18.44.420 and WAC 208-680-620, 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 Respondent Diamond Country Escrow, Inc. has its principal place of business at 21700 Copley Drive, Suite 180, Diamond Bar, California 91765. Respondent has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent in Washington State.

1.2 Unlicensed Activity. Between at least January 23, 2012, and March 29, 2013, Respondent performed escrow functions in at least 91 Washington State mortgage loan transactions. Respondent received approximately \$49,027.37 as "fees" for those loans.

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

II. GROUNDS FOR ENTRY OF ORDER

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

2.2 Definition of Escrow Agent. Pursuant to RCW 18.44.011(8) “Escrow Agent” means any person engaged in the business of performing for compensation the duties of the third person referred to in RCW 18.44.011(7).

2.3 Requirement to Obtain and Maintain License. Based on Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.021 for engaging in the business of an escrow agent by performing escrows or any of the functions of an escrow agent within the Washington State or with respect to transactions that involve personal property or real property located in Washington State without first obtaining a license.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Issue an Order to Cease and Desist. Pursuant to RCW 18.44.440 and WAC 208-680-630(1), if the Director determines after notice and hearing that a person has violated any provision of the Act, the Director may issue an order requiring the person to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the director will carry out the purposes of the Act.

3.2 Authority to Impose Fine. Pursuant to RCW 18.44.430(3) and WAC 208-680-640(1)(d), the Director may impose a fine up to \$100 per day for each day's violation of the Act.

3.3 Authority to Collect Investigation Fee. Pursuant to RCW 18.44.410 and WAC 208-680-650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by the entity which is the subject of the investigation.

IV. NOTICE OF INTENTION TO ENTER ORDER

Respondent's violations of the provisions of chapter 18.44 RCW as set forth in the above Factual Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under RCW 18.44.410, RCW 18.44.430, RCW 18.44.440, and WAC 208-680-630, 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 Diamond Country Escrow, Inc. cease and desist from performing escrow services in Washington State until such time as it obtains a license from the Department to provide escrow services in the Washington State or meets an exclusion from licensing as delineated in the Act.
- 4.2** Respondent Diamond Country Escrow, Inc. pay a fine. As of the date of this Statement of Charges, the fine totals \$60,000.
- 4.3** Respondent Diamond Country Escrow, Inc. pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$850.
- 4.4** Respondent Diamond Country Escrow, Inc., its officers, employees, and agents maintain all records involving Washington State escrow transactions within Washington State for a period of six years from completion of the escrow transactions.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Statement of Charges
3 and Notice of Intention to Enter an Order to Cease and Desist, Impose Fine, Order Restitution,
4 Collect Investigation Fee, and Maintain Records (Statement of Charges) is entered pursuant to the
5 provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject to the provisions
6 of chapter 34.05 RCW (the Administrative Procedure Act). Respondent may make a written request
7 for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY
8 FOR HEARING accompanying this Statement of Charges.

9
10 Dated this 4th day of October, 2019.

11
12 /s/
13 DEBORAH BORTNER
14 Director
15 Division of Consumer Services Department
16 of Financial Institutions

17 Presented by:

18 /s/
19 AMANDA J. HERNDON
20 Financial Legal Examiner

21 Approved by:

22 /s/
23 CHARLES E. CLARK
24 Enforcement Chief