

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

Case No.: C-01-153-03-SC01

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Escrow Agent Registration Act by:

NOREEN A. CRAMER,

Respondent.

TEMPORARY ORDER TO CEASE AND
DESIST, STATEMENT OF CHARGES,
AND NOTICE OF INTENT TO PROHIBIT
PARTICIPATION IN THE ESCROW
INDUSTRY AND TO IMPOSE FINES

THE STATE OF WASHINGTON TO:

Noreen A. Cramer

STATEMENT OF CHARGES

Please take notice that the Department of Financial Institutions of the State of Washington (“Department”) has reason to believe that the Respondent, Noreen A. Cramer, has violated the Escrow Agent Registration Act and that her violations justify the Department in entering an order under RCW 18.44.440 that she cease and desist from such violations. The Department finds that delay in ordering the Respondent to cease and desist from such violations would result in irreparable harm to the public interest and that a Temporary Order to Cease and Desist should be entered immediately. The Department also has reason to believe that grounds exist under RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440 to prohibit Noreen A. Cramer from participation in the escrow industry and to impose fines against her. The Department finds as follows:

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360-902-8760

1 **TENTATIVE FINDINGS OF FACT**

2 **I. RESPONDENT**

3 Respondent, Noreen A. Cramer (“Cramer”), conducted business as an escrow officer
4 for Alta Escrow, Inc. (“Alta”), an escrow agent licensed under chapter 18.44 RCW at 616
5 120th Ave NE, Suite C-111, Bellevue, WA 98005. The Department licensed Cramer as an
6 escrow officer effective May 17, 1994 and her license expired on February 8, 2002.
7

8 **II. SCHEME TO WITHDRAW FUNDS**

9 On or around January 7, 2000, Cramer began working as an escrow officer for Alta.
10 Within a month, she initiated a scheme to embezzle Alta funds. From that time until around
11 November 2000, Cramer prepared or assisted in preparing about 193 checks, totaling
12 \$83,086.73, drawn for her direct or indirect benefit on Alta’s trust and business accounts. No
13 written escrow or settlement instructions authorized these disbursements. Typically, these
14 checks were payable to (1) entities not entitled to the funds, such as Chevron to cover Cramer’s
15 outstanding personal bills; and (2) false entities, such as “M C Painting Company,” where the
16 checks would bear the indorsement of her husband, Michael Cramer. Cramer’s acts caused
17 Alta’s books and accounts to reflect payments to improper payees. Cramer had authority to
18 sign checks on the Alta trust and business accounts, but Alta employee Jessica Marshall’s
19 counter-signature was required. To obtain this counter-signature, Cramer (1) forged Marshall’s
20 name; (2) presented Marshall with numerous checks to counter-sign, including one or two
21 illegitimate checks, in order to make Marshall less likely to notice the improper disbursement;
22 and (3) enlisted Alta employee Jamison Banks, who received funds from some of the checks, to
23 sign Marshall’s name or his own name, even though Banks was not an authorized signator.
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1 III. ADMISSION OF MISCONDUCT

2 In February 2001, Cramer admitted to both Marshall and Alta co-owner Peter Lance
3 that she had been involved in a scheme with Banks to disburse unauthorized checks in the
4 manner described above in Tentative Finding of Fact II. Banks admitted his involvement and
5 assisted in identifying the improper checks. Cramer also admitted to this embezzlement in the
6 appeal relating to her unemployment benefits.
7

8 IV. INDEPENDENT AUDIT

9 Alta hired a Certified Public Accountant (“CPA”) to conduct an independent audit of
10 Alta. The CPA determined that Cramer and Banks had collectively drawn 193 improper
11 checks for a total of \$83,086.73. Two checks totaling \$5,000.00 came from Alta’s business
12 account and the remainder came from Alta client trust funds. The CPA concluded that of the
13 193 total checks Cramer had improperly negotiated, she (as opposed to Banks) was the ultimate
14 payee on 147 of them, for an amount totaling \$68,217.90.
15

16 V. THEFT CONVICTIONS

17 On August 19, 2003, in King County Cause No. 03-C-06199-5 SEA, Cramer pleaded
18 guilty as charged to seven (7) counts of first degree theft, stating: “During a period of time
19 between May 1, 2000 through December 2000, I did take money from Alta Escrow in King
20 County, State of Washington. I took this money with the intent to deprive Alta Escrow of their
21 property. I did this on seven separate occasions during this time period. On each occasion the
22 amount taken exceeded \$1500.” The trial court accepted her plea. However, Cramer failed to
23 appear for her sentencing hearing. As a result, King County has issued a Bench Warrant for
24 her arrest, and she has not yet appeared.
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1 VI. IRREPARABLE HARM

2 The Department finds that continuation of the conduct described in Tentative
3 Findings of Fact II through V would result in irreparable harm to the public interest.
4

5 Based upon the Tentative Findings of Fact, the following Conclusions of Law are
6 made:

7 **CONCLUSIONS OF LAW**

8 I.

9 The conduct described in Tentative Findings of Fact II through V is in violation of
10 RCW 18.44.301(1) because Cramer employed a scheme to defraud Alta and Alta clients.
11

12 II.

13 The conduct described in Tentative Findings of Fact II through V is in violation of
14 RCW 18.44.301(2) because Cramer engaged in an unfair or deceptive practice toward Alta
15 and Alta’s clients.

16 III.

17 The conduct described in Tentative Findings of Fact II through V is in violation of
18 RCW 18.44.301(5) because Cramer received or took unauthorized possession of Alta property
19 and, with intent to defraud, omitted to make a full and true entry of this in Alta’s books and
20 accounts.

21 IV.

22 The conduct described in Tentative Findings of Fact II through V is in violation of
23 RCW 18.44.430(1)(c) because Cramer committed a crime of dishonesty or moral turpitude,
24 namely first degree theft.
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1 V.

2 The conduct described in Tentative Findings of Fact II through V is in violation of
3 RCW 18.44.430(1)(e) because Cramer converted money or checks, delivered to her in trust, to
4 her own use or the use of another person, in violation of the trust.

5 VI.

6 The conduct described in Tentative Findings of Fact II through V is in violation of
7 WAC 208-680D-060, which requires a written instruction for all trust disbursements.

8 VII.

9 The conduct described in Tentative Findings of Fact II through V is in violation of
10 RCW 18.44.430(1)(i) because Cramer's acts or conduct demonstrates untrustworthiness or a
11 source of injury and loss to the public.

12 VIII.

13 The Department finds and concludes that the above described violations of the
14 Escrow Agent Registration Act and rules adopted thereunder, if continued, will result in
15 irreparable harm to the public interest such that the issuance of a temporary cease and desist
16 order is warranted under RCW 18.44.440.

17 IX.

18 The Department finds and concludes that the violations of the Escrow Agent
19 Registration Act described above constitute grounds for prohibiting Cramer from
20 participating in the escrow industry and imposing fines under RCW 18.44.410, RCW
21 18.44.430, and RCW 18.44.440.
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1 **TEMPORARY ORDER TO CEASE AND DESIST**

2 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY ORDERED that
3 Noreen A. Cramer cease and desist from violations of RCW 18.44.301(1), which prohibits
4 schemes to defraud any person.

5 It is further ORDERED that Noreen A. Cramer cease and desist from violations of
6 RCW 18.44.301(2), which prohibits unfair or deceptive practices.

7 It is further ORDERED that Noreen A. Cramer cease and desist from violating of
8 RCW 18.44.301(5), which prohibits taking trust property for personal use without
9 authorization.

10 It is further ORDERED that Noreen A. Cramer cease and desist from violations of
11 RCW 18.44.430(1)(e), which prohibits the conversion of money delivered in trust in
12 violation of the trust.

13 It is further ORDERED that Noreen A. Cramer cease and desist from violations of
14 WAC 208-680D-060, which prohibits trust disbursements without written instructions.

15 It is further ORDERED that Noreen A. Cramer cease and desist from violations of
16 RCW 18.44.430(1)(i), which prohibits acts or conduct demonstrating untrustworthiness.

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20 **NOTICE OF INTENTION TO PROHIBIT PARTICIPATION IN THE ESCROW
21 INDUSTRY AND IMPOSE FINES**

22 Pursuant to RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and based on
23 the Department’s findings and conclusions that Noreen A. Cramer has violated the Escrow
24 Agent Registration Act, the Department intends to ORDER:

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- 1 I. That Noreen Cramer be prohibited for ten (10) years from participating in the conduct
2 of the affairs of any licensed escrow agent, including but not limited to being an escrow
3 officer, principal, director, partner, manager, controlling person, stockholder, employee,
4 or independent contractor of any escrow agent or other person subject to licensing
5 under the Act; and
6
7 II. That Noreen Cramer shall pay fines in the amount of \$18,000, calculated at \$100 per
8 day for thirty (30) days for three (3) violations of RCW 18.44.301 and three (3)
9 violations of RCW 18.44.430.

7 **AUTHORITY AND PROCEDURE**

8 This Temporary Order to Cease and Desist, Statement of Charges, and Notice of
9 Intent to Prohibit Participation in the Escrow Industry and to Impose Fines is entered pursuant
10 to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440 and is subject to
11 the provisions of chapter 34.05 RCW. The respondent, Noreen A. Cramer, may make a
12 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
13 AND OPPORTUNITY FOR HEARING accompanying this order.
14

15 If the respondent does not timely request a hearing, the Department of Financial
16 Institutions intends based on the Statement of Charges to adopt the above Tentative Findings
17 of Fact and Conclusions of Law as final and to make the Order to Cease and Desist
18 permanent and to enter an order prohibiting the respondent from participating in the escrow
19 industry for a period of ten (10) years and imposing an \$18,000 fine against her.
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21 DATED this 27th day of October, 2003.

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23 


24 Deborah R. Bortner
25 Assistant Director
26 Department of Financial Institutions

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Approved by:



Michael E. Stevenson
Chief of Enforcement

Presented by:



Andrew Ledbetter
Financial Legal Examiner

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