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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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

Lilac City Closing & Escrow, LLC;  
Sheila M. Reimer; and  
Cathy M. Patrick,

Respondents.

Order No.: C-03-136-03-CO01

CONSENT ORDER

Case No. C-03-136

**INTRODUCTION**

Pursuant to the Escrow Agent Registration Act, chapter 18.44 RCW, the Department of Financial Institutions of the State of Washington, Securities Division, and the Respondents, Lilac City Closing & Escrow, LLC; Sheila M. Reimer; and Cathy M. Patrick, do hereby agree to this Consent Order in settlement of the above captioned matter. Respondents neither admit nor deny the Findings of Fact or Conclusions of Law stated below.

**FINDINGS OF FACT**

**I. LILAC CITY CLOSING & ESCROW, LLC**

Respondent Lilac City Closing and Escrow, LLC (“Lilac”), conducts business at 200 North Mullan Road, Suite 202, Spokane, Washington 99206. On or about January 24, 2002, Lilac applied to the Department of Financial Institutions for Lilac’s escrow agent license. The Department has not licensed Lilac to conduct business as an escrow agent.

CONSENT ORDER

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**DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760**

1 II. SHEILA M. REIMER

2 Respondent Sheila M. Reimer (“Reimer”) is one of the two Members of Lilac. On or about January  
3 24, 2002, Reimer applied to the Department of Financial Institutions to be licensed as a Designated Escrow  
4 Officer for Lilac. The Department has not issued Reimer this license.

5 III. CATHY M. PATRICK

6 Respondent Cathy M. Patrick (“Patrick”) is one of the two Members of Lilac. On or about January  
7 24, 2002, Patrick applied to the Department of Financial Institutions to be licensed as an Escrow Officer for  
8 Lilac. The Department has not issued Patrick this license.

9 IV. ESCROW ACTIVITY

10 On or around November 2001, Lilac, Reimer, and Patrick began operating Lilac. Since this time,  
11 Lilac, through Reimer and/or Patrick, has held itself out to the public as able to conduct escrow transactions  
12 and has accepted escrow business. Money, written instruments, and/or other things of value have been  
13 delivered to Lilac, Reimer, and/or Patrick for the purpose of effecting and closing the purchase, sale,  
14 exchange, transfer, encumbrance, or lease of real or personal property. Lilac, through Reimer and/or  
15 Patrick, has maintained an active escrow trust account, in which it has held these items until specified events  
16 occurred or prescribed conditions were performed. Lilac, Reimer, and/or Patrick then delivered these items  
17 to various grantees, grantors, obligees, obligors, and others, according to instructions under which Lilac was  
18 to act. Lilac, through Reimer and/or Patrick, prepared escrow instructions, prepared settlement instructions  
19 on various standard HUD-1 forms, and disbursed funds incident to escrow closings according to these  
20 instructions. For this entire period, Lilac did not have an escrow agent license or a licensed Designated  
21 Escrow Officer.

1  
2 Based upon the above Findings of Fact, the following Conclusions of Law are made:

3  
4 **CONCLUSIONS OF LAW**

5 **I.**

6 The conduct described in Finding of Fact IV constitutes an escrow transaction under RCW 18.44.011.

7 **II.**

8 The conduct described in Findings of Fact I through IV is in violation of RCW 18.44.021 because  
9 Lilac, Reimer, and/or Patrick have performed functions of an escrow agent in Washington or with respect  
10 to transactions involving property in Washington without a valid license issued by the director of the  
11 Department of Financial Institutions.

12 **III.**

13 The conduct described in Findings of Fact I through IV is in violation of RCW 18.44.071 because  
14 Lilac has not ensured that a licensed escrow officer has supervised all of its escrow transactions.

15 **IV.**

16 The conduct described in Findings of Fact I through IV is in violation of RCW 18.44.071 because  
17 there has been no designated escrow officer responsible for Lilac's handling of escrow transactions,  
18 managing Lilac's trust account, and supervising all other licensed escrow officers employed by Lilac.

19  
20 **CONSENT ORDER**

21 Based upon the foregoing:

1 IT IS AGREED AND ORDERED that Lilac City Closing & Escrow, LLC; Sheila M. Reimer; and  
2 Cathy M. Patrick each shall cease and desist from violating RCW 18.44.021 by conducting escrow  
3 transactions without valid escrow licenses.

4 IT IS AGREED AND ORDERED that Lilac City Closing & Escrow, LLC; Sheila M. Reimer; and  
5 Cathy M. Patrick each shall cease and desist from violating RCW 18.44.071 by failing to ensure that  
6 licensed escrow officers supervise all escrow transactions and failing to ensure that a designated escrow  
7 officer is responsible for Lilac's handling of escrow transactions, managing Lilac's trust account, and  
8 supervising all other licensed escrow officers employed by Lilac.

9 IT IS FURTHER AGREED AND ORDERED that Lilac City Closing & Escrow, LLC; Sheila M.  
10 Reimer; and Cathy M. Patrick shall be jointly and severally liable for and shall pay the Securities Division  
11 of the Department of Financial Institutions a fine in the amount of \$2,000. This payment is to be made to  
12 the Securities Division prior to the entry of this Consent Order.

13 IT IS FURTHER AGREED that Lilac City Closing & Escrow, LLC; Sheila M. Reimer; and Cathy  
14 M. Patrick shall reimburse the Securities Division of the Department of Financial Institutions \$3,000 for its  
15 costs incurred in investigating this matter. This payment is to be made to the Securities Division prior to  
16 the entry of this Consent Order.

17 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent  
18 Order.

19 IT IS FURTHER AGREED that in consideration of the foregoing, Lilac City Closing & Escrow,  
20 LLC; Sheila M. Reimer; and Cathy M. Patrick each waive their right to a hearing on this matter and to  
21 judicial review of this Order.

1 SIGNED this 18th day of March , 2004.

2 Signed by:

3 Lilac City Closing & Escrow, LLC

5 By /s/ \_\_\_\_\_  
6 Sheila M. Reimer, Member

5 By /s/ \_\_\_\_\_  
6 Cathy M. Patrick, Member

7 /s/ \_\_\_\_\_  
8 Sheila Reimer, individually

10 /s/ \_\_\_\_\_  
11 Cathy M. Patrick, individually

12 THIS ORDER ENTERED THIS 23<sup>rd</sup> DAY OF March , 2004 BY:

15 *Deborah R. Bortner*

16 Deborah R. Bortner  
17 Assistant Director  
18 Department of Financial Institutions

18 Approved by:

18 Presented by:

19 *Michael E. Stevenson*

20 Michael E. Stevenson  
21 Chief of Enforcement

19 *Andrew Ledbetter*

20 Andrew Ledbetter  
21 Financial Legal Examiner