

## Terms Completed

### ORDER SUMMARY – Case Number: C-13-1369

**Name(s):** Premium Settlements of PN, LLC; Michael Patrick Bell

**Order Number:** C-13-1369-14-CO01

**Effective Date:** July 30, 2014

**License Number:** DFI: 42998  
**Or NMLS Identifier [U/L]**

**License Effect:** N/A

**Not Apply Until:**

**Not Eligible Until:**

**Prohibition/Ban Until:**

<b>Investigation Costs</b>	\$1,325	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 7/25/14
<b>Fine</b>	\$10,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 7/25/14
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: Respondent Premium Settlements will cease and desist from performing escrow services for Washington state properties or consumers from the unlicensed branch location.



1 Based upon the foregoing:

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

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

9 **C. Cease and Desist.** It is AGREED that Respondent Premium Settlements will cease and  
10 desist from performing any escrow agent services for consumers or property in the state of  
11 Washington from any unlicensed branch locations.

12 **D. Branch Application.** It is AGREED that the entry of this Consent Order will not  
13 preclude Respondent Premium Settlements from obtaining a branch license pursuant to Respondent  
14 Premium Settlements' pending branch license application with the Department. It is further  
15 AGREED that upon payment to the Department of the sums required under paragraphs E and F of  
16 this Consent Order, SO LONG AS all requirements under chapter 18.44 RCW and 208-680 WAC are  
17 satisfactorily met and the application is complete as determined by the Department, the Department  
18 will process Respondent Premium Settlements' pending branch license application in due course.  
19 Respondents will be timely notified of any additional licensing requirements. Respondents agree to  
20 respond timely to any such requests.

21 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of  
22 \$10,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon  
23 entry of this Consent Order.

1       **F. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an  
2 investigation fee of \$1,325, in the form of a cashier's check made payable to the "Washington State  
3 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together  
4 in one \$11,325 cashier's check made payable to the "Washington State Treasurer."

5       **G. Records Retention.** It is AGREED that Respondent Premium Settlements, its officers,  
6 employees, and agents shall maintain records in compliance with the Act and provide the Director  
7 with the location of the books, records and other information relating to Respondent Premium  
8 Settlements' escrow agent business, and the name, address and telephone number of the individual  
9 responsible for maintenance of such records in compliance with the Act.

10       **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
11 warranted that they have the full power and right to execute this Consent Order on behalf of the  
12 parties represented.

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

17       **J. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this  
18 Consent Order, which is effective when signed by the Director's designee.

19       **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read  
20 this Consent Order in its entirety and fully understand and agree to all of the same.

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1 **RESPONDENTS:**

2 **Premium Settlements of PN, LLC**

3 By: [REDACTED]

4 Michael Patrick Bell  
5 Designated Escrow Officer, Owner,  
6 and President

7/21/14  
Date

8 [REDACTED]  
9 Elliot Matthew Liss  
10 Owner

7/21/14  
Date

11 [REDACTED]  
12 Michael Patrick Bell  
13 Individually

7/21/14  
Date

14 Approved for Entry:

15 [REDACTED]  
16 Seth A. Rosenberg, WSBA No. 41660  
17 The Rosenberg Law Group, PLLC  
18 Attorney for Respondents

7/22/14  
Date

19 DO NOT WRITE BELOW THIS LINE

20 THIS ORDER ENTERED THIS 30<sup>th</sup> DAY OF July, 2014.

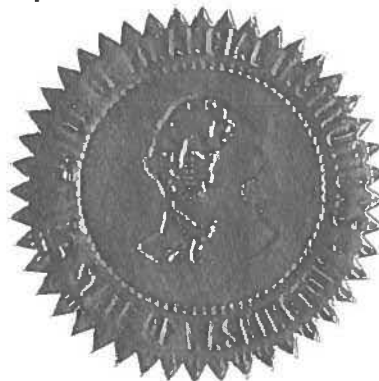
21 [REDACTED]  
22 DEBORAH BORTNER  
23 Director, Division of Consumer Services  
24 Department of Financial Institutions

25 Presented by:

26 [REDACTED]  
27 DEVON P. PHELPS  
28 Financial Legal Examiner

29 Approved by:

30 [REDACTED]  
31 CHARLES E. CLARK  
32 Enforcement Chief



33 CONSENT ORDER  
34 C-13-1369-14-C001  
35 PREMIUM SETTLEMENTS OF PN, LLC  
36 and MICHAEL PATRICK BELL

**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:

PREMIUM SETTLEMENTS OF PN, LLC, and  
MICHAEL PATRICK BELL, Designated Escrow  
Officer, Owner, and President,

Respondents.

No.: C-13-1369-13-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO  
ENTER AN ORDER TO CEASE AND  
DESIST, SUSPEND LICENSES,  
PROHIBIT FROM INDUSTRY,  
ORDER RESTITUTION, 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 Respondents.**

**A. Premium Settlements of PN, LLC (Respondent Premium Settlements)** has its principal place of business at 1300 Piccard Drive, Suite L105, Rockville, Maryland. Respondent Premium Settlements was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as an escrow agent in the state of Washington on May 19, 2007. Respondent Premium Settlements continues to be licensed to date.

1           **B. Michael Patrick Bell (Respondent Bell)** is the Designated Escrow Officer, 50%  
2 owner, and President of Respondent Premium Settlements. Respondent Bell was licensed as an  
3 escrow officer on May 19, 2007, and continues to be licensed to date.

4   **1.2 Examination.** The Department conducted an on-site examination of Respondent Premium  
5 Settlements from September 17, 2013, to September 20, 2013. The scope of this examination  
6 included analysis, inquiry, and testing of Respondent Premium Settlement's financial records and  
7 escrow account records from August 1, 2012, through July 31, 2013. On September 20, 2013, the  
8 Department's examiner met with Respondent Bell and discussed the findings of the examination,  
9 including the apparent unlicensed escrow activity at the St. Louis, Missouri branch. A Report of  
10 Examination was issued to Respondents on or about October 1, 2013.

11   **1.3 Branch License Application.** On or about September 20, 2013, on the last day of the  
12 aforementioned examination, Respondents applied for a branch office license for the unlicensed  
13 branch office located in St. Louis, Missouri.

14   **1.4 Unlicensed Activity.** Between at least January 1, 2012 and September 20, 2013, Respondents  
15 performed functions of an escrow agent for at least 850 transactions that involved real property  
16 located in the state of Washington at the unlicensed branch office in St. Louis, Missouri. On or about  
17 January 14, 2014, Respondent Bell provided the Department with a written statement that the  
18 unlicensed branch sets up Washington files, orders title, obtains clearing items as required by title,  
19 schedules files for closing, and acts as the point of contact for the lenders.

20   **1.5 Collecting Unauthorized Fees.** In at least two escrow transactions, Respondents charged  
21 consumers \$175 for third-party mobile notary services but only disbursed \$125 to the notary  
22 company.

23   **1.6 Failure to Retain Month-End Reconciliation Reports.** Respondents failed to retain all  
24 required month-end reconciliation reports detailing receipts and disbursements.

1 **1.7 Failure to Retain Voided Instruments.** Respondents failed to retain physical voided checks  
2 as required by the Act. Instead, Respondents imaged voided checks and destroyed the physical  
3 copies.

4 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the  
5 Act by Respondents continues to date.

## 6 **II. GROUNDS FOR ENTRY OF ORDER**

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

15 **2.2 Definition of Escrow Agent.** Pursuant to RCW 18.44.011(8) "Escrow Agent" means any  
16 person<sup>1</sup> engaged in the business of performing for compensation the duties of the third person  
17 referred to in RCW 18.44.011(7).

18 **2.3 Requirement to Obtain and Maintain Branch License.** Based on Factual Allegations set  
19 forth in Section I above, Respondents are in apparent violation of RCW 18.44.041 for engaging in the  
20 business of an escrow agent by performing escrows or any of the functions of an escrow agent within  
21 the state of Washington or with respect to transactions that involve personal property or real property  
22 located in the state of Washington from an unlicensed location without first obtaining a branch  
23 license.

24 <sup>1</sup> Under RCW 18.44.011(11), "person" means a natural person, firm, association, partnership, corporation, or limited liability company.



1 **2.4 Requirement to Refund Excess Fees.** Based on the Factual Allegations set forth in Section I  
2 above, Respondents are in apparent violation of WAC 208-680-540(3) for not refunding excess fees  
3 collected to consumers.

4 **2.5 Requirement to Maintain Records in the State of Washington.** Based on the Factual  
5 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.400,  
6 WAC 208-680-410(17)(b), WAC 208-680-520(2)(c), and WAC 208-680-530 for failing to maintain  
7 transaction records, including month-end reconciliation records and voided instruments.

### 8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 18.44.440 and WAC  
10 208-680-630, if the Director determines after notice and hearing that a person has violated any  
11 provision of the Act, the Director may issue an order requiring the person to cease and desist from the  
12 unlawful practice of performing escrow services in the state of Washington from an unlicensed  
13 branch.

14 **3.2 Authority to Suspend License.** Pursuant to RCW 18.44.430(1) and WAC 208-680-  
15 640(1)(a), the Director may suspend the license of any escrow agent or escrow officer if the Director  
16 finds that any partner, officer, controlling person, or employee has violated any of the provisions of  
17 the Act or any lawful rules under the Act.

18 **3.3 Authority to Prohibit from Industry.** Pursuant to RCW 18.44.430(3) and WAC 208-680-  
19 640(1)(b), in addition to or in lieu of a license revocation, the Director may remove and/or prohibit  
20 from participation in the conduct of the affairs of any licensed escrow agent, any officer, controlling  
21 person, director, employee, or licensed escrow officer.

22 **3.4 Authority to Order Restitution.** Pursuant to RCW 18.44.430(4) and WAC 208-680-  
23 640(1)(c), in addition to or in lieu of license revocation or fines, the Director may order an escrow  
24

agent, officer, controlling person, director, employee, or licensed escrow officer violating this chapter to make restitution to an injured consumer.

**3.5 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3) and WAC 208-680-640(1)(d), in addition to or in lieu of license revocation, the Director may impose a fine up to \$100 per day for each day's violation of the Act or rules adopted under the Act.

**3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.430(3) and WAC 208-680-650(2), 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

Respondents' 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 18.44.400, RCW 18.44.410, RCW 18.44.430, RCW 18.44.440 and WAC 208-680-030, 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** Respondents Premium Settlements of PN, LLC and Michael Patrick Bell cease and desist from performing escrow services in the state of Washington from an unlicensed branch.
- 4.2** Respondent Premium Settlements of PN, LLC's license to conduct the business of an escrow agent be suspended for 90 days.
- 4.3** Respondent Michael Patrick Bell's escrow officer license be suspended for 90 days.
- 4.4** Respondents Premium Settlements of PN, LLC and Michael Patrick Bell be prohibited from participation in the affairs of any escrow agent subject to licensure by the Director for a period of 90 days.
- 4.5** Respondents Premium Settlements of PN, LLC and Michael Patrick Bell jointly and severally pay restitution to the two consumers identified in Appendix A.
- 4.6** Respondents Premium Settlements of PN, LLC and Michael Patrick Bell jointly and severally pay a fine. As of the date of this Statement of Charges, the fine totals \$50,000.

**4.8** Respondent Premium Settlements of PN, LLC, its officers, employees, and agents maintain all records involving Washington State escrow transactions within the state of Washington for a period of six years from completion of the escrow transactions.

This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Suspend Licenses, Prohibit from Industry, Order Restitution, Impose Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges) is entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). 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 1<sup>st</sup> day of April, 2014.

**DEBORAH BORTNER**  
Director, Division of Consumer Services  
Department of Financial Institutions

Presented by:

**DEVON P. PHELPS**  
Financial Legal Examiner

Approved by:

CHARLES E. CLARK  
Enforcement Chief



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**Restitution**

**Consumer**

**Amount**

H.C.

\$50

R.A.

\$50