

ORDER SUMMARY – Case Number: C-11-0832

Name(s): Main Street Escrow Inc.

Order Number: C-11-0832-15-CO02

Effective Date: April 1, 2015

License Number: DFI: 540-EA-18644 (expired)
Or NMLS Identifier [U/L]

License Effect: Expired

Not Apply Until: April 1, 2025

Not Eligible Until: April 1, 2025

Prohibition/Ban Until: April 1, 2025

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: withdrawal of Final Order C-11-0832-13-FO01, trust account reconciled, and records retention requirement

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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:

MAIN STREET ESCROW, INC., and
PAULINE WEBER, Designated Escrow Officer,

Respondents.

No.: C-11-0832-15-CO02

CONSENT ORDER
WITHDRAWING FINAL ORDER
AS TO MAIN STREET ESCROW, INC.

COME NOW the Director of the Department of Financial Institutions (Director), through his
designee Charles E. Clark, Division Director, Division of Consumer Services, and Main Street
Escrow Inc. (Respondent Main Street Escrow), 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 Main Street Escrow have agreed upon a basis for resolution of the matters alleged in
Statement of Charges No. C-11-0832-13-SC01 (Statement of Charges), entered April 26, 2013 (copy
attached hereto). Respondent Main Street Escrow failed to request a hearing, and as a result, the
Department entered a Final Order No. C-11-0832-13-FO01 (Final Order) against Respondent Main
Street Escrow on February 24, 2015 (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 Main Street Escrow hereby agrees to the Department's entry of this Consent Order and
further agrees that the issues raised in the above-captioned matters may be economically and

CONSENT ORDER
C-11-0832-15-CO02
MAIN STREET ESCROW, INC.

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd. SW
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully
2 resolve the Statement of Charges.

3 Based upon the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondent Main Street Escrow waived its right
7 to a hearing and any and all administrative and judicial review of the issues raised in this matter by
8 virtue of its failure to request a hearing following the issuance of the Statement of Charges.

9 **C. Withdrawal of Final Order.** It is AGREED that Final Order C-11-0832-13-FO01 is
10 withdrawn.

11 **D. Escrow Agent License.** It is AGREED that Respondent Main Street Escrow's Escrow
12 Agent license expired effective December 31, 2010, and that Respondent Main Street Escrow does
13 not currently hold an Escrow Agent license.

14 **E. Prohibition from Industry.** It is AGREED that, for a period of 10 years from the date of
15 entry of this Consent Order, Respondent Main Street Escrow is prohibited from applying for an
16 escrow agent license under the Act.

17 **F. Declaration of Financial Condition.** It is AGREED that Respondent Main Street
18 Escrow has provided the Department with a Declaration comprehensively describing its current
19 financial condition and representing its current inability to pay the fine, examination fee, and
20 investigation fee sought in the Statement of Charges.

21 **G. Reconciliation of Trust Account.** It is AGREED that Respondent Main Street Escrow's
22 trust account has been reconciled and funds escheated to the Department of Revenue in the manner
23 required by chapter 63.29 RCW, the Uniform Unclaimed Property Act.

1 **H. Records Retention.** It is AGREED that Respondent Main Street Escrow, its officers,
2 employees, and agents shall maintain records in compliance with the Act and provide the Director
3 with the location of the books, records and other information relating to Respondent Main Street
4 Escrow's escrow agent business, and the name, address and telephone number of the individual
5 responsible for maintenance of such records in compliance with the Act.

6 **I. Authority to Execute Order.** It is AGREED that the undersigned has represented and
7 warranted that she has the full power and right to execute this Consent Order on behalf of the party
8 represented.

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

14 **K. Voluntarily Entered.** It is AGREED that Respondent Main Street Escrow has
15 voluntarily entered into this Consent Order, which is effective when signed by the Director's
16 designee.

17 **L. Completely Read, Understood, and Agreed.** It is AGREED that Respondent Main
18 Street Escrow's representative has read this Consent Order in its entirety and fully understands and
19 agrees to all of the same.

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24 CONSENT ORDER
C-11-0832-15-C002
MAIN STREET ESCROW, INC.

1 **RESPONDENT:**
Main Street Escrow Inc.
2 By:

3 [REDACTED]
Pauline Weber
4 President

3-31-15
Date

5 Approved for Entry:

6 [REDACTED]
Lars Neste, WSBA #28781
7 Attorney at Law
Demco Law Firm
8 Attorneys for Respondent

4/1/15
Date

9
10 DO NOT WRITE BELOW THIS LINE

11
12 THIS ORDER ENTERED THIS 1st DAY OF April, 2015.

13 [REDACTED]
14
15 **CHARLES E. CLARK**
Director, Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 [REDACTED]
19 **SHANA L. OLIVER**
Financial Legal Examiner

20 Approved by:

21 [REDACTED]
22 **STEVEN C. SHERMAN**
23 Enforcement Chief



24 **CONSENT ORDER**
C-11-0832-15-CO02
MAIN STREET ESCROW, INC.

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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:

MAIN STREET ESCROW, INC., and
PAULINE WEBER, Designated Escrow Officer,

Respondents.

No.: C-11-0832-13-FO01

FINAL ORDER RE:
MAIN STREET ESCROW INC.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On April 26, 2013, the Director, through the Director's former designee, former Consumer Services Division Director Deborah Bortner,¹ issued a Statement of Charges and Notice of Intention to Enter an Order to Take Affirmative Action, Impose Fine, Collect Examination Fee, Collect Investigation Fee, and Maintain Records (Statement of Charges) against Main Street Escrow Inc. (Respondent Main Street Escrow) and Pauline Weber, Designated Escrow Officer (Respondent Weber). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated April 30, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

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¹ Charles E. Clark was appointed the Director of the Division of Consumer Services effective January 1, 2015.

1 On April 30, 2013, the Department served Respondent Main Street Escrow with the Statement
2 of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery.
3 On May 1, 2013, the documents sent by Federal Express overnight delivery were delivered to
4 Respondent Main Street Escrow's registered agent. The documents sent by First-Class mail were not
5 returned to the Department by the United States Postal Service.

6 Respondent Main Street Escrow did not request an adjudicative hearing within twenty
7 calendar days after the Department served the Notice of Opportunity to Defend and Opportunity for
8 Hearing, as provided for in WAC 208-08-050(2).

9 B. Record Presented. The record presented to the Director's designee for his review and
10 for entry of a final decision included the Statement of Charges, cover letter dated April 30, 2013, a
11 Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for
12 Adjudicative Hearing for Respondent Main Street Escrow, with documentation of service.

13 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
14 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

15 II. FINAL ORDER

16 Based upon the foregoing, and the Director's designee having considered the record and being
17 otherwise fully advised, NOW, THEREFORE:

18 A. IT IS HEREBY ORDERED, That:

- 19 1. Respondent Main Street Escrow, Inc. pay a fine of \$20,000.
- 20 2. Respondent Main Street Escrow, Inc. pay an investigation fee of \$2,225.
- 21 3. Respondent Main Street Escrow, Inc., its officers, employees, and agents maintain
22 all records involving Washington State escrow transactions within the state of
Washington for a period of six years from completion of the escrow transactions.

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1 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Main Street Escrow has
2 the right to file a Petition for Reconsideration stating the specific grounds upon which relief is
3 requested. The Petition must be filed in the Office of the Director of the Department of Financial
4 Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O.
5 Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order
6 upon Respondent Main Street Escrow. The Petition for Reconsideration shall not stay the
7 effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial
8 review in this matter.

9 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
10 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
11 written notice specifying the date by which it will act on a petition.

12 C. Stay of Order. The Director's designee has determined not to consider a Petition to
13 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
14 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

15 D. Judicial Review. Respondent Main Street Escrow has the right to petition the superior
16 court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
17 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

18 E. Non-compliance with Order. If Respondent Main Street Escrow does not comply with
19 the terms of this order, **including payment of any amounts owed within 30 days of receipt of this**
20 **order**, the Department may seek its enforcement by the Office of the Attorney General to include the
21 collection of the fines, and fees imposed herein. The Department also may assign the amounts owed
22 to a collection agency for collection.

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1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
2 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 24th day of February, 2015.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



CHARLES E. CLARK
Director, Division of Consumer Services

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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:

MAIN STREET ESCROW, INC., and
PAULINE WEBER, Designated Escrow Officer,

Respondents.

No.: C-11-0832-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO TAKE AFFIRMATIVE
ACTION, IMPOSE FINE, COLLECT
EXAMINATION FEE, 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. Respondent Main Street Escrow, Inc. (Respondent Main Street Escrow) was licensed by the Department of Financial Institutions (Department) to conduct business as an Escrow Agent on or about November 9, 1995.¹ Respondent Main Street Escrow ceased operations on or about October 31, 2010, but did not submit closure documents to the Department until on or about February 23, 2011.

¹ Respondent Main Street Escrow had originally been licensed as an Escrow Agent by the Washington State Department of Licensing, but that authority was transferred to the Department effective July 1, 1995.

1 **B. Respondent Pauline Weber (Respondent Weber)** was the Designated Escrow Officer for
2 Respondent Main Street Escrow at all times relevant to this Statement of Charges. Respondent
3 Weber's license expired as of December 18, 2010.

4 **1.2 Examination.** On or about March 14, 2011, the Department conducted a post-closure
5 examination of Respondent Main Street Escrow. The scope of the examination included analysis,
6 inquiry, and testing of Respondent Main Street Escrow's financial records and escrow records. As a
7 result of the examination, the Department discovered violations of the Act as follows:

8 **A. Failure to Notify the Department of Office Closure.** Respondents did not notify the
9 Department of the closure of Respondent Main Street Escrow within 24 hours of closure. In addition,
10 Respondents did not deliver all original licenses to the Department within 5 working days from office
11 closure.

12 **B. Failure to Maintain Fidelity Bond and Surety Bond.** Respondent Main Street Escrow's
13 fidelity and surety bonds cancelled effective March 1, 2011. As of March 14, 2011, Respondent
14 Main Street Escrow's trust account had a balance of \$64,805.66. Respondent submitted another trust
15 account statement to the Department dated April 30, 2011, which showed a balance of \$3,480.64.

16 **C. Failure to Submit Monthly Reports.** Respondents are required to submit monthly reports
17 for Respondent Main Street Escrow's trust account until the account has been reconciled and zeroed
18 out. Since about April 30, 2011, Respondents have not submitted any monthly reports for the trust
19 account.

20 **D. Failure to Maintain Accurate Records.** Respondent Main Street Escrow's reconciliation
21 records from January 2011 showed twelve bank adjustment items dating from August 2006 through
22 November 2009, and eight system adjustment items from September 2006 to June 2007 that had not
23 been cleared.

E. Failure to Maintain Sufficient Account Balances in the Company Trust Account.

Respondent Main Street Escrow's reconciliation records from January 2011 showed six overdrawn escrow accounts with an aggregate balance of \$1,063.08.²

1.3 Failure to Pay Examination Fee. On or about March 22, 2011, the Department sent two invoices to Respondents, one invoice for the examination fee and one invoice for related travel costs, totaling \$1,254.45. Respondents have not paid the examination fee and travel costs. These amounts have been accruing interest since April 30, 2011. As of the date of this Statement of Charges, Respondents owe the Department \$1,547.19.

1.4 Failure to Follow Closing Instructions. The Department received copies of documents for an escrow transaction performed by Respondents in or around March 2003. The buyer of the property notified the Department that the Deed of Trust had not been recorded by Respondents following the closing of the transaction in 2003. The Department requested information from Respondents regarding this settlement, but Respondents stated that the file had been destroyed in 2009 following the expiration of the records retention period. The Department reviewed the "Closing Agreement and Escrow Instructions" signed by Respondent Weber, which instructed Respondents to "record and deliver documents as necessary to close the transaction." The Department reviewed Yakima County records with an employee of the Yakima County Recorder's Office and could find no evidence the Respondents recorded the Deed of Trust for this transaction.

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

² During the examination, Respondent Weber provided documentation to the Department's examiner showing that the overdrawn accounts had been cured on or about February 18, 2011.

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 Requirement to Notify the Department of Office Closure. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(10) and WAC 208-680-245(2), for failing to notify the Director within twenty-four hours of office closure.

2.3 Requirement to Maintain Fidelity and Surety Bonds. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.201 and WAC 208-680-310(4) for failing to maintain a fidelity bond until the escrow trust account funds have been fully disbursed.

2.4 Requirement to File Monthly Reports. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(10) and WAC 208-680-245(5) for failing to file a report concerning its operations and trust account administration and reconciliation within 30 days following the end of the preceding month.

2.5 Requirement to Maintain Records. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.400(1), WAC 208-680-510(1), and

WAC 208-680-530(1) for failing to maintain records and keep them current to the date of the most recent activity.

2.6 Requirement to Maintain Sufficient Funds in Trust Account. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.400(3) and WAC 208-680-410(16)(c) for making disbursements from an escrow account without first receiving deposits directly relating to the account in amounts at least equal to the disbursements.

2.7 Requirement to Pay Examination Fee. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.121(1)(e) and WAC 208-680-650(3) for failing to pay the examination fee and other expenses incurred within 30 days of the date of the invoice.

2.8 Requirement to Follow Closing Instructions. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 18.44.301(2) and WAC 208-680-540(7) for failing to perform all services required pursuant to the escrow instructions.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Require Affirmative Action. Pursuant to RCW 18.44.420 and WAC 208-680-630(1), the Director may require affirmative action to comply with the provisions of the Act.

3.2 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 denial, the Director may impose a fine of up to \$100 per day for each day's violation of the Act or its rules.

3.3 Authority to Collect Examination Fee. Pursuant to RCW 18.44.121(1)(e) and WAC 208-680-650, the expense of an examination pursuant to WAC 208-680-610 shall be borne by the entity which is the subject of the examination.

1 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410 and WAC 208-680-
2 650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by the entity
3 which is the subject of the investigation.

4 **IV. NOTICE OF INTENTION TO ENTER ORDER**

5 Respondents' violations of the provisions of chapter 18.44 RCW as set forth in the above
6 Factual Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under
7 RCW 18.44.400, RCW 18.44.410, RCW 18.44.430, RCW 18.44.440, and WAC 208-680-630, which
8 authorize the Director to enforce all laws, rules, and regulations related to the registration of escrow
9 agents and licensing of escrow officers. Therefore, it is the Director's intention to ORDER that:

10 **4.1** Respondents Main Street Escrow, Inc., and Pauline Weber produce monthly reconciliation
11 reports for the period from April 30, 2011 through the date Respondent Main Street Escrow's
trust account was closed, and provide those reports for the Department's review.

12 **4.2** Respondents Main Street Escrow, Inc., and Pauline Weber record the Deed of Trust for the
13 property identified in paragraph 1.4 of the Statement of Charges.

14 **4.3** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay a fine.
As of the date of this Statement of Charges, the fine totals \$20,000.

15 **4.4** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay the
16 examination fee. As of the date of this Statement of Charges, the examination fee totals
1,547.19.

17 **4.5** Respondents Main Street Escrow, Inc., and Pauline Weber jointly and severally pay an
18 investigation fee. As of the date of this Statement of Charges, the investigation fee totals
\$2,225, calculated at \$62.50 per hour for 35.6 staff hours.

19 **4.6** Respondent Main Street Escrow, Inc., its officers, employees, and agents maintain all records
20 involving Washington State escrow transactions within the state of Washington 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 Take Affirmative
3 Action, Impose Fine, Collect Examination Fee, Collect Investigation Fee, and Maintain Records
4 (Statement of Charges) is entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430,
5 and RCW 18.44.440, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE
7 OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.

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10 Dated this 26th day of April, 2013.



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[Redacted Signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

19 Presented by:

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[Redacted Signature]

SHANA L. OLIVER
Financial Legal Examiner

23 Approved by:

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[Redacted Signature]

CHARLES E. CLARK
Enforcement Chief