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BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Complainant,

vs.

RELIANT ESCROW TRANSACTION &
COORDINATION,

Respondent.

Docket No. 2017-18-01

**ORDER TO CEASE AND DESIST AND
NOTICE OF THE OPPORTUNITY FOR A
HEARING**

Mary E. Hughes, Acting Director of the Idaho Department of Finance, being authorized and directed to administer and enforce the Idaho Escrow Act, Idaho Code § 30-901 *et seq.* (the Escrow Act) and the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.* (the IFFPA), hereby alleges the following facts that constitute a basis for the issuance of an ORDER TO CEASE AND DESIST (Order) pursuant to Idaho Code §§ 30-920(a) and 67-2755(1), requiring Respondent RELIANT ESCROW TRANSACTION & COORDINATION to cease and desist from violating the two acts.

The Director finds that there is an immediate threat to the public welfare which requires immediate agency action, as detailed below. Accordingly, this Order takes effect immediately upon issuance.

RESPONDENT AND RELATED PARTIES

1. RELIANT ESCROW TRANSACTION & COORDINATION (Reliant) purports to be a licensed escrow business domiciled in Idaho, with a principal business address of 886 Main Street, Boise, Idaho. Reliant appears to do business solely through its website, www.reliantesc.com. It also purports to hold Idaho based telephone number (208) 287-6372. Reliant is not now and never has been licensed in any capacity by the Idaho Department of Finance. Reliant's documents identify Donald Keller as the C.E.O. and Taylor Jones as an Escrow Officer. Potential customer P.H received an email on behalf of Reliant from Sean Wolfe.

2. International Investors (International), which claims to be located at 194 Wood Avenue South, Iselin, New Jersey¹, purports to be a timeshare leasing and resale company, and purports to use Reliant for escrow transactions relating to the lease or purchase and sale of time share properties. In documents provided by International to potential sellers, International identifies James Hill and Benjamin King as its "Legal Representatives" and Santonio McNab and Mark Garcia as its "Brokers" for purposes of signing the Right-to-Sell and Right-to-Use Contracts.

¹ An investigator for the Idaho Department of Finance confirmed with the property manager for this address that International is not a tenant at the address listed nor is it a tenant at any of the addresses located on the property. Further, the property manager stated that his management company has never had any relationship with International.

FINDINGS OF FACT

3. On or about February 7th and 9th, 2017, a Nevada resident, P.H., and a North Carolina resident, C.F., respectively, contacted the Idaho Department of Finance (Department) and inquired about Reliant's status as an Idaho escrow company. P.H. and C.F. both stated that they own timeshares in Mexico and that a "broker" from International contacted them to propose a possible lease or sale of their properties and explained to them that all funds pertaining to the proposed transaction would be held in escrow at Reliant's location in Idaho.

4. P.H. stated that on or around January 16, 2017, International contacted him with an offer to purchase his timeshare for \$58,850. P.H. subsequently received from International a welcome letter, a Guarantor Letter and a Right to Sell letter. Two weeks later P.H. received an email with attachments from Reliant. The attachments included a Transfer Agreement Form, a Reimbursement Guarantee Letter, Customer Satisfaction Letter, Payment Form and Wire Transfer Bank Information. P.H. stated that when he advised Reliant that he was not going to move forward with the sale of his timeshare, Reliant's representative became aggressive and threatened to sue P.H.

5. C.F. reported that on February 9, 2017, he was contacted by an International broker with an offer to lease his timeshare for 5 weeks, at \$65,000 per week, for a total of \$325,000. The Right-to-Use contract that International forwarded to C.F. to sign specified that C.F. would need to pay an upfront brokerage fee of 9%, totaling \$29,250, and that Reliant was hired by International to hold those funds in escrow until it received the \$325,000 from the lessee, at which time C.F. would be reimbursed the fee.

6. A Department investigator initiated an investigation into Reliant, and as part of that effort, on February 9, 2017, called Reliant's Idaho phone number listed on its website and

asked to speak with a manager. She was connected to a person who stated that his name was “John” and that he was a “portfolio manager.” The investigator identified who she was and explained that the Department had some questions regarding Reliant’s business. John responded by stating that he was “very busy” and disconnected the call. The Department’s investigator immediately emailed John at emailus@reliantesc.com, which is listed on Reliant’s website, and asked for additional information regarding Reliant’s business activities in Idaho. The investigator did not receive a response from any representative for Reliant.

7. On February 10, 2017, the investigator verified that the business address Reliant advertises on its website (see paragraph 1) does not exist.

8. The Department’s investigator also conducted a search on the Idaho Secretary of State’s website and found that a business with a name identical to Reliant’s had filed a Certificate of Assumed Business Name on May 18, 2000. The address listed on the certificate for the business was located in Ontario, Oregon. The investigator contacted the person identified as the owner on the certificate and received an email response from that person. The owner stated that although her company had an identical name as Reliant’s, her business was not in any way associated or affiliated with Reliant or its website and that she closed her company and discontinued its operation in October 2002.

9. The Director finds that the public welfare is in immediate danger from the unlicensed activities of Reliant, as set forth above.

CONCLUSIONS OF LAW

ESCROW ACT VIOLATIONS

10. Idaho Code § 30-903 provides: “(1) It shall be unlawful for any person to directly or indirectly engage in or carry on, or purport to engage in or carry on, the business of, or act in

the capacity of, an escrow agency in or from Idaho without first obtaining a license under this chapter.”

11. By using an Idaho address and telephone number, Reliant purported to engage in or carry on the business of an escrow agency in or from Idaho.

12. Reliant did not obtain a license to engage in or carry on the business of an escrow agency, and therefore violated the Idaho Escrow Act, specifically Idaho Code § 30-903.

FINANCIAL FRAUD PREVENTION ACT VIOLATIONS

13. Idaho Code § 67-2752 provides: “It is unlawful for any person, directly or indirectly: ... (3) To falsely represent that a person is a financial institution or a representative of a financial institution, for the purpose of obtaining money, goods or services from any person.”

14. Idaho Code § 67-2751(4) defines “financial institution” to include an escrow agency.

15. By falsely representing that it is an escrow agency in Idaho, agents of Reliant violated the Financial Fraud Prevention Act, specifically, Idaho Code § 67-2752.

ORDER

The Director, having reviewed the foregoing, and good cause being shown therefore,

THE DIRECTOR HEREBY FINDS That Reliant has violated the Idaho Escrow Act, Idaho Code § 30-901 *et seq.* and the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.*

NOW, THEREFORE, IT IS HEREBY ORDERED That Reliant shall CEASE AND DESIST from purporting to be an Idaho escrow agency until such time as Reliant is licensed in Idaho as an escrow agency.


IT IS FURTHER ORDERED That Reliant shall CEASE AND DESIST from falsely representing that it is an escrow agency in Idaho.

This ORDER TO CEASE AND DESIST is effective immediately.

IT IS SO ORDERED.

DATED this 20th day of February, 2017.

STATE OF IDAHO
DEPARTMENT OF FINANCE



MARY E. HUGHES,
Acting Director of Finance



NOTICE

RESPONDENT IS HEREBY NOTIFIED that the foregoing Order to Cease and Desist will become a final order of the Director on the date it becomes effective, subject to Respondent's right to file a motion for reconsideration or request for a hearing. Pursuant to Idaho Code § 67-5246, Respondent may file a motion for reconsideration of this Order to Cease and Desist or a request for hearing within fourteen (14) days of the issuance of this Order. Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201, *et seq.*

If Respondent files a timely request for hearing, the Department will notify Respondent of the date, time and place of the hearing, as well as the name of the presiding officer. At the hearing, Respondent will be entitled to enter an appearance, introduce evidence, examine and cross-examine witnesses, make arguments, and generally participate in the conduct of the proceedings. Respondent may also be represented by legal counsel at Respondents' own expense.

Any motion for reconsideration shall be served upon the Director by serving a copy on the following:

James A. Burns
Securities Bureau Chief
Idaho Department of Finance
800 Park Boulevard, Suite 200
P.O. Box 83720
Boise, ID 83720-0031

A copy of such motion for reconsideration shall also be served upon the Department's counsel, Alan Conilogue, Deputy Attorney General, at the same address.