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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.

TWIN FALLS TITLE AND ESCROW,

Respondent.

Docket No. 2014-18-02

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

Gavin M. Gee, Director of the Idaho Department of Finance (Director), 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 §§ 26-3106(2) and 67-2755(1), requiring Respondent TWIN FALLS TITLE AND ESCROW 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**

1. Twin Falls Title and Escrow (TFTE) purports to be a licensed escrow business domiciled in Idaho, with a principal business address of 158 West Judicial Street, Blackfoot, Idaho 83221. It also purports to hold Idaho based telephone number (208) 932-4473 and fax number (208) 906-3832. TFTE maintains a website at [www.twinfallste.com](http://www.twinfallste.com). The Internet Protocol address is 65.254.248.143 and is hosted by [www.fatcow.com](http://www.fatcow.com).

2. TFTE is not now and never has been licensed in any capacity by the Idaho Department of Finance.

### **FINDINGS OF FACT**

3. On August 19, 2014, Idaho Department of Finance (Department) investigator Coleen Hodson received a telephone call from M.G., a family member of potential TFTE customers S.O. and T.O. M.G. was seeking information from the Department about whether TFTE was a legitimate company and whether it was required to have an escrow license.

4. M.G. had received a copy of an "Exclusive Resale Agreement" between S.O. and T.O. and 111 Capital Management Corp., or C.M.C. M.G.'s contact with C.M.C. was Brandon Klein, phone number (212) 845-9388. The Exclusive Resale Agreement provided that Klein was to be a broker who would help S.O. and T.O. sell a timeshare in Mexico named Grand Mayan. TFTE was to be the escrow company for the sale.

5. Hodson determined that TFTE was not licensed by the Department to conduct escrow business in Idaho and initiated an investigation into the type of business in which TFTE is involved.

6. According to TFTE's website, it provides escrow, title insurance, and certification of ownership services. See Attachment A to this Order for a screen print of TFTE's web page titled "What We Do."

7. Hodson called the phone number listed for TFTE on its website - (208) 906-3832 - and requested the company's address. The TFTE representative stated that the address was 158 West Judicial Street, Blackfoot, Idaho.

8. Hodson made a second call to TFTE, posing as a potential customer, and asked to meet with a TFTE representative regarding timeshare services. Hodson was told that the company does not "meet with customers."

9. As part of the investigation, Hodson also made contact with the Blackfoot Police Department to confirm the physical address that TFTE listed on its website. On August 20, 2014, an officer with the Blackfoot Police Department attempted to locate the address and told Hodson that the address did not exist.

10. On August 20, 2014, M.G. forwarded to Hodson an email and an attachment he received from TFTE representative Aileen Arizti. Arizti wrote "As requested, attached you will find our Company Registration approved by the Idaho Secretary of State," and she attached what purported to be a Certificate of Assumed Business Name issued by the Idaho Secretary of State. See Attachment B to this Order for a copy of Arizti email attachment.

11. Hodson compared the purported Certificate of Assumed Business Name that M.G. received from TFTE with the Certificate of Assumed Business Name posted on the Idaho

Secretary of State website and determined that Arizti's Certificate of Assumed Business Name was bogus. See Attachment C to this Order for a copy of the Certificate of Assumed Business Name that Hodson printed from the Idaho Secretary of State website.

12. TFTE had sent M.G. an altered copy of the Certificate of Assumed Business Name filed by First American Title Company, Inc., a lawful and long-standing title company in the state of Idaho. First American Title sometimes transacts business as "Twin Falls Title and Escrow Company."

13. Hodson found nothing linking TFTE to the Blackfoot, Idaho address, or to First American Title, other than TFTE's website and the sham Certificate of Assumed Business Name.

14. TFTE attempted to deceive M.G. and others by misappropriating a legitimate business name and using it as cover for apparently illegitimate business activities.

15. The Department recently issued an Order to Cease and Desist based on similar facts as those found regarding TFTE. See *State of Idaho vs. All Net Escrow*, Order to Cease and Desist dated July 2, 2012. See also Consumer Alert dated June 22, 2012 issued by the Idaho Department of Finance warning of unlicensed internet companies, including All Net.

16. All Net, like TFTE, cold-called potential customers. All Net claimed it would hold funds in escrow as part of the purchase and sale of a timeshare in Mexico. TFTE's website includes Frequently Asked Questions about timeshare sales, and was to hold the funds when S.O. and T.O. sold their Mexican property.

17. Given the similarities between All Net and TFTE, the misappropriation of a legitimate business name, the forged Certificate of Assumed Business Name, the lack of

licensing, and the bogus business address, the Department finds that the internet-based Twin Falls Title and Escrow is a fraudulent business enterprise.

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

### **CONCLUSIONS OF LAW**

#### **ESCROW ACT VIOLATIONS**

19. 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.”

20. By using an Idaho city name, and an Idaho address and telephone numbers, Twin Falls Title and Escrow purported to engage in or carry on the business of an escrow agency in or from Idaho.

21. Twin Falls Title and Escrow 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**

22. 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.”

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

24. By falsely representing that it was an escrow agency in Idaho, agents of Twin Falls Title and Escrow 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 Twin Falls Title and Escrow 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 Twin Falls Title and Escrow shall CEASE AND DESIST from purporting to be an Idaho escrow agency until such time as Twin Falls Title and Escrow is licensed in Idaho as an escrow agency.

IT IS FURTHER ORDERED That Twin Falls Title and Escrow shall CEASE AND DESIST from falsely representing that it is an escrow agency in Idaho.

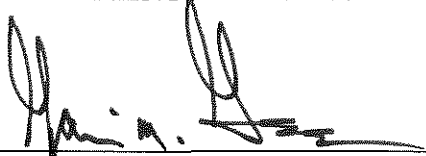
This ORDER TO CEASE AND DESIST is effective immediately.

**IT IS SO ORDERED.**

DATED this 26<sup>th</sup> day of AUGUST, 2014.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
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GAVIN M. GEE, Director

**NOTICE**

Respondent Twin Falls Title and Escrow 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 Twin Falls Title and Escrow's right to file a motion for reconsideration or request for a hearing. Pursuant to Idaho Code § 67-5246, Twin Falls Title and Escrow 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 Twin Falls Title and Escrow files a timely request for hearing, the Department will notify Twin Falls Title and Escrow of the date, time and place of the hearing, as well as the name of the presiding officer. At the hearing, Twin Falls Title and Escrow 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. Twin Falls Title and Escrow 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:

Marilyn Chastain  
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.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 26<sup>th</sup> day of August, 2014, I served a true and correct copy of the foregoing CEASE AND DESIST ORDER AND NOTICE OF THE OPPORTUNITY FOR A HEARING upon the following by the designated means:

Twin Falls Title and Escrow  
158 W. Judicial St  
Blackfoot, ID 83221

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email: [contact@twinfallste.com](mailto:contact@twinfallste.com)

Paralegal

