

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Escrow Agent License of)
WESTERN TITLE & ESCROW COMPANY) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Western Title & Escrow Company (Western Title) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Western Title was licensed as an escrow agent in Oregon.

1.2 On June 27, 2024, the Agency received a complaint from Kathryn Paterson (Paterson) against Western Title. In her complaint, Paterson alleged that after two failed transactions for the same property, the earnest money should have been returned to her, as was agreed to in the contract. Paterson alleged that Western Title sent her a letter stating the funds held in the escrow transaction were released to the depositing party and they were resigning as escrow holder. The Agency opened an investigation.

1.3 A review of records provided to the Agency show a Residential Real Estate Sale Agreement #SWAEG23-1401 (SA#SWAEG23-1401) was signed for the subject property on August 6, 2023, and was later terminated. A second Residential Real Estate Sale Agreement SEW2-1401 (SA #SEW2-1401) for the same property was signed by the same buyers on October 19, 2023.

1.4 Paterson did not accept the buyer's offer and submitted a counteroffer. The counteroffer included "Earnest Money to be non-refundable."

1 1.5 The buyers did not accept Paterson's counteroffer and submitted a Buyer's
2 Counteroffer. The Buyer's Counteroffer included "2. Earnest money shall not be refundable."
3 Paterson accepted the Buyer's Counteroffer.

4 1.6 Emails provided to Agency Investigator Cidia Nañez (Nañez) by Matthew
5 Cleverly, Esq., legal counsel for Western Title and Escrow show that on October 22, 2023, the
6 buyer's broker Samantha Wright (Wright) emailed an escrow officer requesting to "Please
7 open escrow and find the Fully Executed Sales Agreement and all supporting documents for
8 9516 Siletz Hwy Lincoln City, OR attached."

9 1.7 The Transaction Manager with Keller Williams sent an email to Wright and
10 Paterson's broker Matthew Starck (Starck) on October 23, 2023, with details pertaining to the
11 executed offer, which included "Earnest Money: \$5,000 Due: 10/25/2023 – NON-
12 REFUNDABLE."

13 1.8 In an email exchange between Wright and the Transaction Manager, Wright
14 wrote "Just to clarify. The buyers counter offer that was accepted states that earnest money is
15 not non refundable." The Transaction Manager responded to Wright stating "On the buyer's
16 counter offer it states "EM shall not be refundable"?". Wright replied writing "...that was
17 supposed to say shall not be non-refundable. I think my computers spell check auto corrected
18 it. I will call the buyers!"

19 1.9 A review of the real estate records provided by both Paterson and Wright, show
20 there was no communication found between the parties regarding the correction of the
21 counteroffer and clarifying the alleged error, except for the October 23, 2023, email between
22 Wright, the Transaction Manager, with a copy to Starck. In addition, there were no documents
23 regarding the transaction identified or submitted to the Agency between October 23, 2023, and
24 the close date of November 9, 2023.

25 1.10 In an interview with Nañez on August 13, 2024, Paterson said no one could tell
26 her if they were closing. Paterson said she called Western Title the day before the transaction
27 was supposed to close, and they told her they had not heard from anyone.

28 1.11 A Termination Agreement was signed by Paterson on November 13, 2023,
29 instructing the escrow agent to disburse the earnest money, in the amount of \$5,000.00, to the
30 seller. The Termination Agreement was not signed by the buyers.

1 1.12 On December 15, 2023, the buyers emailed Escrow Assistant Sandra Snyder
2 (Snyder), stating, “This is to inform you that we have a dispute with the Seller regarding the
3 earnest money, and we are filing a request with the Realtor Ombudsman service to seek
4 resolution. The termination agreement has not yet been signed, and you will be notified when
5 appropriate as we proceed.”

6 1.13 A review of documents provided by Wright showed a Termination Agreement
7 dated January 5, 2024, instructing the escrow agent to disburse the earnest money, in the
8 amount of \$5,000.00, to the buyers. The agreement was not signed by Paterson.

9 1.14 Records show that on January 6, 2024, the buyers filed a claim with the Circuit
10 Court of Lincoln County. Paterson responded to the claim on January 24, 2024, denying the
11 claim, and made a counterclaim for \$5,000.00.

12 1.15 On March 13, 2024, the court entered a general judgment of dismissal in the
13 court register.

14 1.16 A review of communication showed an email from Escrow Officer Cindy Schmidt
15 dated June 13, 2024, stating “One of my managers reached out to let me know that the case
16 has been dismissed. Do we have a fully signed termination to follow to release the EM?”

17 1.17 On July 1, 2024, the Transaction manager responded writing, “I keep sending it
18 to the seller, she hasn’t signed it yet...”

19 1.18 Paterson provided a letter she received from Western Title, dated July 18, 2024,
20 The letter states “As a result of the successful sale and transfer of the subject property to a
21 third-party purchaser, all funds held in this escrow transaction are being released to the
22 depositing party and we are resigning as escrow holder.”

23 1.19 On August 12, 2024, legal counsel for Western Title emailed the Agency and
24 explained “Western Title resigned from the transaction after the seller had sold the property.
25 The earnest money was returned to the buyer on 7/18/2023 [sic].”

26 1.20 On October 17, 2024, Tara Thompson, Escrow Operations Manager with
27 Western Title responded to Paterson’s complaint. In her response, Thompson wrote, “Upon
28 receipt of the order of dismissal from the court, we again reached out the seller several times
29 for direction as the case had been dismissed and arbitration had not yielded a mutual decision.
30 The seller would not respond to our multiple attempts to reach out to her.” In addition,

1 Thompson wrote, "This transpired over a period of several months and we came to the
2 conclusion that the seller was not going to respond as she was not responding to her agent
3 either. Since we had no forwarding address, Western Title made the decision to resign from
4 the transaction."

5 1.21 On December 16, 2024, Danica Pennock, Executive Assistant to the President of
6 Western Title emailed the Agency and explained, "This was a misunderstanding between
7 myself and the escrow administrator as I thought we had reached out when in fact it was the
8 agent who was reaching out."

9 **(1) Conclusion of Law:** By failing to follow terms in a real estate sale agreement for the
10 distribution of earnest money to the seller and failing to obtain agreement in writing from the
11 principals for disputed funds, Western Title violated ORS 696.581(2)(3)(9) 2023 Edition.

12 **(2) Conclusion of Law:** By failing to follow written instructions in the real estate agreement
13 and subsequent addendum, Western Title violated OAR 863-015-0015 1/1/2023 Edition.

14 **(3) Conclusion of Law:** By failing to follow written instructions in the real estate sale
15 agreement and subsequent addendum or obtain agreed written instruction for disputed funds,
16 Western Title violated OAR 863-050-0055(4) 1/1/2023 Edition.

17 1.22 All of the above demonstrates untrustworthiness or incompetence to transact the
18 business of an escrow agent.

19 **(4) Conclusion of Law:** Based on the foregoing, Western Title is subject to discipline
20 under ORS 696.535(1)(b)(c) 2023 Edition.

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23 2.

24 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.535(1).

25 2.2 The Agency reserves the right to investigate and pursue additional complaints
26 that may be received in the future regarding this entity.

27 2.3 In establishing the violations alleged above, the Agency may rely on one or more
28 of the definitions contained in ORS 696.505.

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STIPULATION AND WAIVER

I, Western Title & Escrow Company, have read and reviewed this Stipulated Final Order and its Findings of Fact and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and Western Title & Escrow Company. I further understand that if Western Title & Escrow Company does not agree with this stipulation Western Title & Escrow Company has the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. I also understand that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order Western Title & Escrow Company freely and voluntarily waive Western Title & Escrow Company's rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

Western Title & Escrow Company hereby agrees and stipulates to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, Western Title & Escrow Company agrees that once the Commissioner executes this Stipulated Final Order, Western Title & Escrow Company will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

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IT IS HEREBY ORDERED that, pursuant to ORS 696.585 and based upon the violation(s) set forth above, Western Title & Escrow Company pay a civil penalty in the sum of \$3,000.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the OREA.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:
By Western Title & Escrow
B348F6FC1F52499...
Title Executive Assistant
WESTERN TITLE & ESCROW COMPANY
Date 8/6/2025 | 9:20 AM PDT

Signed by:
Steve Strode
E2C2D0097AD8471...
Steven Strode
Real Estate Commissioner
Date 8/12/2025 | 8:44 AM PDT



Date of Service: 8/12/2025