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WASHINGTON STATE BAR ASSOCIATION

BEFORE THE  
LIMITED PRACTICE BOARD

In re

ELINA BEGLYAROVA,

Limited Practice Officer (LPO No.  
10490).

LFP No. LG14-00004

STIPULATION TO SIX-MONTH  
SUSPENSION

Under Rule 9.1 of the Rules for Enforcement of Limited Practice Officer Conduct (ELPOC), the following Stipulation to Revocation is entered into by the Limited Practice Board (Board), through senior disciplinary counsel Jonathan Burke, respondent's counsel Adam Asher, and respondent Elina Beglyarova (Respondent).

Respondent understands that she is entitled under the ELPOC to a hearing, to present exhibits and witnesses on her behalf, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that she is entitled under the ELPOC to appeal the outcome of a hearing to the Board, and, in certain cases, the Supreme Court. Respondent further understands that a hearing and appeal could result in an outcome more favorable or less favorable to her. Respondent chooses to resolve this proceeding now by entering into the following stipulation to facts, misconduct, and sanction to avoid the risk, time,

**ORIGINAL**

1 expense and publicity attendant to further proceedings.

2 Respondent wishes to stipulate to suspension without affirmatively admitting the facts  
3 and misconduct in ¶11, ¶12, ¶14, ¶16, ¶21, ¶25, and ¶26, rather than proceed to a public hearing.  
4 Respondent agrees that if this matter were to proceed to a public hearing, there is a substantial  
5 likelihood that disciplinary counsel would be able to prove, by a clear preponderance of the  
6 evidence, the facts and misconduct in ¶11, ¶12, ¶14, ¶16, ¶21, ¶25, and ¶26.

7 **I. ADMISSION TO PRACTICE**

8 1. Respondent was admitted to engage in the limited practice of law in the State of  
9 Washington on June 25, 2007.

10 **II. STIPULATED FACTS**

11 2. Alliance Escrow, LLC (Alliance) was licensed to engage in the business of an Escrow  
12 Agent by the State of Washington Department of Financial Institutions (DFI).

13 3. During all material times, Respondent was an owner and Designated Escrow Officer  
14 of Alliance.

15 4. Alliance was hired to act as the escrow officer, closing agent, for the sale of a certain  
16 adult family home (AFH) located in Kent, Washington during July 2008. Although the sale  
17 involved an AFH, the purchase and sale agreement was a residential purchase and sale  
18 agreement.

19 5. Alliance charged a closing and escrow fee of \$2,465.66 for closing the sale of the  
20 AFH.

21 6. Respondent acted as the escrow officer and as a Limited Practice Officer (LPO) for  
22 the sale of the AFH.

23 7. The buyer (Buyer) of the AFH obtained a loan of \$837,250 from Alaska USA Federal  
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1 Credit Union (Alaska) to finance part of the \$985,000 purchase price. The Buyer concealed  
2 from Alaska that the Buyer had given a note and a deed of trust to the seller (Seller). Alaska  
3 would not have made the loan if it had known of the existence of the second loan. The Buyer  
4 ultimately defaulted on both loans and Alaska lost over \$250,000 from the transaction.

5 8. The escrow instructions prepared by Respondent and signed on July 21, 2008,  
6 required Respondent to prepare a settlement statement showing all funds deposited for the  
7 account of each of the parties and the disbursements from such funds.

8 9. On July 24, 2008, the Buyer executed a promissory note (Promissory Note) obligating  
9 him to pay \$147,750 to the Seller. The Buyer also executed a deed of trust (Deed of Trust)  
10 securing the obligation under the Promissory Note.

11 10. On July 24, 2008, Respondent notarized the Deed of Trust, but did not record it with  
12 the King County Auditor. Respondent did not fully understand the significance of the Deed of  
13 Trust at the time she notarized it.

14 11. On July 24, 2008, SM wired \$48,000 to Alliance to be applied to the transaction. On  
15 the same date, TP, wired \$100,000 to Alliance to be applied to the transaction. These payments  
16 were temporary secret loans to the Buyer. Respondent claims she was not aware of the details  
17 regarding the sources of these funds.

18 12. Respondent prepared a Disbursements Summary/Balance Sheet [Distribution  
19 Summary] that inaccurately reflected that the payments of \$48,000 and \$100,000 were received  
20 from the "borrower." Respondent had no factual basis to indicate in her Distribution Summary  
21 that the \$148,000 was received from the borrower. The Distribution Summary also inaccurately  
22 reflected that the \$148,000 received by Alliance was paid to the Seller.

23 13. On July 28, 2008, the sale of the AFH closed.  
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1 14. The HUD-1 Settlement Statements (HUD-1 Statements) prepared by Respondent  
2 inaccurately reflected that the Seller would receive cash in the amount of \$283,163.84 and  
3 inaccurately showed that the Buyer paid a total of \$163,423.89 in cash at closing. In fact, the  
4 Buyer did not make any significant cash payments to the Seller at closing. The HUD-1  
5 Statements did not reflect the existence of the Promissory Note.

6 15. On July 29, 2008, Respondent and/or Alliance disbursed the escrow funds.

7 16. Respondent disbursed \$48,000 by wire to SM and \$100,000 by wire to TP.  
8 Respondent disbursed closing proceeds of \$135,163.84 to the Seller, not the \$283,163.84  
9 referenced in the HUD-1 Settlement Statements. None of these disbursements were accurately  
10 reflected on the final settlement statements prepared by Respondent.

11 17. The Buyer and SM were convicted of crimes related to the concealed loans described  
12 above. On March 14, 2014, the Buyer was convicted of mortgage fraud, and was later ordered  
13 to pay restitution of \$256,704.60. On February 5, 2014, SM was convicted of conspiracy to  
14 commit obtaining a signature by deception or duress, and was later ordered to pay restitution of  
15 \$32,769.66. Respondent was not charged with any crime in connection with the concealed  
16 loans.

17 18. DFI investigated Respondent's conduct in connection with the concealed loans. The  
18 Association deferred its investigation of this matter until the proceedings commenced by DFI  
19 were resolved.

20 19. On March 21, 2014, the Director of DFI entered a consent order (Consent Order) to  
21 resolve allegations against Respondent and Alliance. Under the Consent Order, Respondent  
22 agreed that she violated (1) RCW 18.44.301(6) "for making or concurring in making any false  
23 entry, or omitting or concurring in omitting to make any material entry, in Respondent's  
24

1 books:" and (2) RCW 18.44.301(8) for "willfully failing to make any proper entry in the books  
2 of the escrow business as required by law."

3 20. Under the terms of the Consent Order, Respondent's escrow license was  
4 "surrendered" but Respondent could reapply for her license after six months provided that  
5 Respondent comply with a number of conditions, including an independent audit of Alliance's  
6 business records and requiring Respondent to take at least forty hours of training. Respondent  
7 has complied with these conditions and is currently seeking her escrow officer's license from  
8 DFI under the terms of the Consent Order. Respondent has not acted as an LPO since her DFI  
9 entered the Consent Order in March 2014.

### 10 III. STIPULATION TO MISCONDUCT

11 21. Respondent's conduct in providing inaccurate information in the HUD-1 Statements  
12 and the Distribution Summary violated Rule 1.10(i) (committing an act that reflects disregard  
13 for the rule of law) of the Limited Practice Officer Rules of Professional Conduct (LPORPC).

### 14 IV. PRIOR DISCIPLINE

15 22. Respondent has no prior discipline.

### 16 V. SANCTION ANALYSIS

17 23. In Washington, the LPORPC were modeled on the rules governing lawyer conduct  
18 (Rules for Professional Conduct). The Washington Supreme Court has held that the American  
19 Bar Association Standards for Imposing Lawyer Sanctions (1991 ed. & Feb. 1992 Supp.)  
20 ("ABA Standards") provide the appropriate framework to impose disciplinary sanctions in  
21 lawyer discipline cases. In re Disciplinary Proceeding Against Halverson, 140 Wn.2d 475, 492,  
22 998 P.2d 833 (2000).

1           24. The application of the ABA Standards<sup>1</sup> by analogy in this case would result in a  
2 presumptive sanction of suspension under ABA Standard 7.2.<sup>2</sup>

3           25. Respondent knowingly violated the rule of law by providing inaccurate information  
4 regarding payments received and distributed on the HUD-1 Statements and Distribution  
5 Summary.

6           26. Respondent's conduct contributed to significant monetary harm to Alaska.

7           27. The presumptive sanction for Respondent's violation of LPORPC 1.10(i) is a  
8 suspension und ABA Standard 7.2.

9           28. No aggravating factors from ABA Standard 9.22 apply to Respondent's conduct.

10          29. The following mitigating factors from ABA Standard 9.32 apply to Respondent's  
11 conduct:

12           (a) Absence of a prior disciplinary record;

13           (b) Inexperience in the LPO practice [Respondent had been admitted as an LPO for one  
14 year at the time of the misconduct];

15           (c) Imposition of other penalties or sanctions [Respondent was sanctioned and fined by  
16 DFI for the same conduct].

17          30. The mitigating factors warrant less than the maximum suspension.

18          31. In this case, Respondent's ultimate sanction should be similar to the sanction  
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20 <sup>1</sup> Although the ABA Standards have been applied by analogy, there are significant differences between  
21 discipline for lawyers and LPOs. For example, a disbarred lawyer may not seek reinstatement from  
22 disbarment until after a period of five years. Rule 25.1(b) of the Admission to Practice Rules (APR).  
An LPO may seek reinstatement of a revoked license after two years. APR 12, Regulation 16.1(A). The  
maximum length of suspension for lawyers is three years. Rule 13.3(a) of the Rules for Enforcement of  
23 Lawyer Conduct. The maximum length of suspension for LPOs is one year. ELPOC 13.3(a).

24 <sup>2</sup> ABA Standard 7.2 provides: Suspension is generally appropriate when a lawyer knowingly engages in  
conduct that is a violation of a duty owed as a professional and causes injury or potential injury to a  
client, the public, or the legal system.

1 imposed by DFI. The ELPOC does not include a sanction that is the same as the sanction  
2 imposed by DFI: surrender the escrow license but allow Respondent to reapply in six months.  
3 A six-month suspension is the sanction that is most analogous to the sanction imposed by DFI.

#### 4 VI. STIPULATED DISCIPLINE

5 32. The parties agree to a six-month suspension of Respondent's LPO license.  
6 Reinstatement will be conditioned on repayment of costs.

#### 7 VII. RESTITUTION

8 33. Restitution does not apply.

#### 9 VIII. COSTS AND EXPENSES

10 34. In light of Respondent's willingness to resolve this matter by stipulation at an early  
11 stage of the proceedings, Respondent shall pay attorney fees and administrative costs of \$500 in  
12 accordance with ELPOC 13.9(i). The Board through disciplinary counsel will seek a money  
13 judgment under ELPOC 13.9(f) if these costs are not paid within 30 days of approval of this  
14 stipulation.

#### 15 IX. VOLUNTARY AGREEMENT

16 35. Respondent states that prior to entering into this Stipulation she consulted with  
17 independent counsel or had an opportunity to consult independent legal counsel regarding this  
18 Stipulation, that she had the opportunity to be represented by legal counsel in these proceedings,  
19 that Respondent is entering into this Stipulation voluntarily, and that no promises or threats have  
20 been made by the Board, nor by any representative thereof, to induce the Respondent to enter  
21 into this Stipulation except as provided herein.

#### 22 X. LIMITATIONS

23 36. This Stipulation is a compromise agreement intended to resolve this matter in  
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1 accordance with the purposes of LPO discipline while avoiding further proceedings and the  
2 expenditure of additional resources by the Respondent and the Board. Both the Respondent  
3 lawyer and the Board acknowledge that the result after further proceedings in this matter might  
4 differ from the result agreed to herein.

5 37. This Stipulation is not binding upon the Board or Respondent as a statement of all  
6 existing facts relating to the professional conduct of the respondent lawyer, and any additional  
7 existing facts may be proven in any subsequent disciplinary proceedings.

8 38. This Stipulation results from the consideration of various factors by both parties,  
9 including the benefits to both by promptly resolving this matter without the time and expense of  
10 hearings, Board appeals, and Supreme Court appeals or petitions for review. As such, approval  
11 of this Stipulation will not constitute precedent in determining the appropriate sanction to be  
12 imposed in other cases; but, if approved, this Stipulation will be admissible in subsequent  
13 proceedings against Respondent to the same extent as any other approved Stipulation.

14 39. Under Limited Practice Board policy, in addition to the Stipulation, the Board shall  
15 have available to it for consideration all documents that the parties agree to submit to the Board,  
16 and all public documents. Under ELPOC 3.1(b), all documents that form the record before the  
17 Board for its review become public information on approval of the Stipulation by the Board,  
18 unless disclosure is restricted by order or rule of law.


19 40. If this Stipulation is approved by the Board and Supreme Court, it will be followed  
20 by the disciplinary action agreed to in this Stipulation. All notices required in the Rules for  
21 Enforcement of Limited Practice Officer Conduct will be made.

22 41. If this Stipulation is not approved by the Board and Supreme Court, this Stipulation  
23 will have no force or effect, and neither it nor the fact of its execution will be admissible as  
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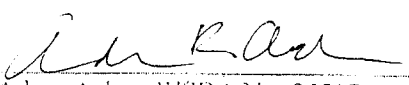


1 | evidence in the pending disciplinary proceeding, in any subsequent disciplinary proceeding, or  
2 | in any civil or criminal action.

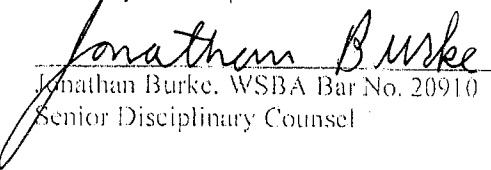
3 |       WHEREFORE the undersigned being fully advised, adopt, and agree to the facts and  
4 | terms of this Stipulation to Revocation as set forth above.

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6 | \_\_\_\_\_  
7 | Elina Beglyarova, LPO No. 10490  
8 | Respondent

Dated: 3/5/15

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9 | \_\_\_\_\_  
10 | Adam Asher, WSBA No. 35517  
11 | Attorney for Respondent

Dated: 3/5/15

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11 | \_\_\_\_\_  
12 | Jonathan Burke, WSBA Bar No. 20910  
13 | Senior Disciplinary Counsel

Dated: 3/5/15

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