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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. LAUREL HILL ESCROW SERVICES, INC. and MAXINE M. BEYE, Respondents.	File No.: 963-1681 ORDER BARRING MAXINE M. BEYE FROM EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY ESCROW AGENT

The California Corporations Commissioner ("Commissioner") finds that:

1. Respondent Laurel Hill Escrow Services, Inc. ("Laurel Hill") is an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). Laurel Hill has its principal place of business at 425 25th Street, San Diego, California 92102.

2. Respondent Maxine M. Beye ("Beye") is, and was at all times relevant herein, the president and sole shareholder of Laurel Hill.

3. On February 11, 2009, the Commissioner, by and through his staff, commenced a regulatory examination of the books and records of Laurel Hill. The regulatory examination revealed that Laurel Hill, by and through Beye, had made numerous unauthorized disbursements

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from escrows in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2 and had also been taking early escrow fees in violation of Financial Code sections 17414(a)(1), 17420 and 17421. The regulatory examination also disclosed that Laurel Hill (i) had failed to maintain its general account books and records since December 31, 2008 in violation of Financial Code Section 17404 and California Code of Regulations, title 10, sections 1732 and 1732.3; (ii) was allowing persons who had not been reported to the Department and/or fingerprinted to participate in the business of Laurel Hill in violation of Financial Code sections 17414.1 and 17419; and (iii) failed to meet the liquid asset and tangible net worth requirements of Financial Code section 17210.

4. The escrows that Respondents made unauthorized disbursements and/or took early escrow fees are described as follows:

a. On December 26, 2008, in escrow number 9061, Respondents made an unauthorized disbursement of trust funds to Empress Investments, Inc., an affiliate of Laurel Hill, via check number 1329 in the amount of $1,500.00 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 19, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt number 338 showing the sum of $1,500.00 having been deposited into the trust account on March 13, 2009 to repay the unauthorized disbursement, and then depositing such funds into the Laurel Hill general account.

b. On January 14, 2009, in escrow number 5973, Respondents disbursed $500.00 in unauthorized escrow cancelation fees to Laurel Hill in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 19, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt numbers 16817 and 16833 showing funds having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively,

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to repay the unauthorized cancelation fees, and then depositing such funds into the Laurel Hill general account.

c. On January 15, 2009, in escrow number 6469, Respondents made an unauthorized disbursement of trust funds to Empress Investments, Inc. via check number 40483 in the amount of $950.00 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on March 19, 2009 when Respondents deposited $950.00 into the trust account.

d. On January 29, 2009, in escrow number 6484, Respondents made an unauthorized disbursement of trust funds to Home Bank of California via trust check number 40497 in the amount of $3,602.92 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt numbers 16816 and 16833 showing the funds having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized disbursement, and then depositing such funds into the Laurel Hill general account.

e. On January 29, 2009, in escrow number 6484, Respondents made an unauthorized disbursement of trust funds to AT&T to pay the telephone bill of Laurel Hill via trust check number 40498 in the amount of $261.93 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt numbers 16816 and 16833 showing the funds having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized disbursement, and then depositing such funds into the Laurel Hill general account.

f. On January 29, 2009, in escrow number 6484, Respondents made an unauthorized disbursement of trust funds to Joege Arvizu, an employee of Empress Investments, Inc,

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via trust check number 40500 in the amount of $600.00 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 19, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt numbers 16815 and 16834 showing the sum of $600.00 having been deposited into the trust account on February 12, 2009 and March 13, 2009, respectively, and then depositing such funds into the Laurel Hill general account.

g. On January 29, 2009, in escrow number 6484, Respondents made an unauthorized disbursement of trust funds to Rosio Rico, one of Beye's caretakers, via check number 40501 in the amount of $734.00 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt numbers 16816 and 16833 showing the funds having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively, and then depositing such funds into the Laurel Hill general account.

h. On January 31, 2009, Respondents, in order to cover up the debit balance in Escrow number 6484 caused by the unauthorized disbursements described in paragraphs 1 -4 above when the deposit was returned in full to the buyer, re-posted the unauthorized disbursements to escrow numbers 5873 and 6487 in violation of Financial Code section 17414(a)(2).

i. On February 19, 2009, in escrow number 6487, Respondents made an unauthorized disbursement of trust funds to Ila Benz, an employee of Laurel Hill, via check number 40522 in the amount of $40.00 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on April 3, 2009 when Respondents deposited $40.00 into the trust account.

j. On January 28, 2009, in escrow number 5674, Respondents disbursed $500.00 in unauthorized cancelation fees to Laurel Hill in violation of Financial Code section 17414(a)(1)and

California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on March 19, 2009 when Respondents deposited $500.00 into the trust account.

k. On November 28, 2008, in escrow number 5687, Respondents disbursed $13.93 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code sections 17414(a)(1)), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on March 23, 2009 when Respondents deposited $13. 93 into the trust account.

l. On July 14, 2008 and December 23, 2008, in escrow number 6430, Respondents disbursed $500.00 and $11.00, respectively, in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

m. On July 31, 2008, August 29, 2008 and September 15, 2008, in escrow number 6433, Respondents disbursed $2,800.00, $500.00 and $850.00, respectively, in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

n. On September 30, 2008, in escrow number 6437, Respondents disbursed $3,200.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. Thereafter, on December 15, 2008, January 15, 2009 and March 5, 2009, Respondents over-disbursed escrow fees to Laurel Hill in the amounts of disbursed $25.00, $200.00 and $1,800.00, respectively, in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The $2,025.00 trust account shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

o. On July 30, 2008, August 15, 2008, August 18, 2008, and August 29, 2008, in escrow number 6438, Respondents disbursed $450.00, $945.00, $100.00 and $50.00, respectively, in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420

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and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. On August 29, 2008 and September 30, 2008, Respondents over-disbursed escrow fees to Laurel Hill in the amounts of $40.00 and $40.00, respectively, in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The $80.00 trust account shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

p. On September 26, 2008, in escrow number 6461, Respondents disbursed $1,558.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

q. On November 4, 2008, in escrow number 6461, Respondents made an unauthorized disbursement of trust funds to Laurel Hill in the amount of $10.00 via trust check number 45119 when Respondents caused outstanding trust check number 45091 payable to the City of San Diego Water Department to be canceled and re-issued to Laurel Hill in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The $10.00 trust account shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

r. On October 15, 2008 and October 23, 2008, in escrow number 6468, Respondents disbursed $1,170.00 and $50.00, respectively, in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

s. On January 15, 2009, in escrow number 6472, Respondents disbursed $800.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

t. On December 15, 2008, in escrow number 6474, Respondents disbursed $2,235.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. Thereafter, on February 16, 2009, Respondents over-disbursed escrow fees to Laurel Hill in the amount of $1,660.00 in violation of Financial Code section 17414(a)(1) and California Code of

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Regulations, title 10, sections 1738 and 1738.2. The $1,660.00 trust account shortage caused by this unauthorized disbursement had not been cured as of April 22, 2009.

u. On December 31, 2008, in escrow number 6479, Respondents disbursed $930.00 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code sections 17414(a)(1)), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this unauthorized disbursement had not been cured as of April 22, 2009.

v. On December 31, 2008, in escrow number 6481, Respondents disbursed $3,275.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

w. On January 15, 2009, in escrow number 6482, Respondents disbursed $50.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

5. On November 3, 2010, the Commissioner, by and through his staff, conducted a follow up visit to Laurel Hill. During the follow up, Beye informed the examiner that she had "borrowed" $38,000.00 from escrow number 6543 to pay the operating expenses of Laurel Hill. A review of the escrow documents provided by Beye to the examiner disclosed that commencing on June 18, 2010 and continuing through September 16, 2010, Respondents made eighteen unauthorized disbursements to Laurel Hill and Empress Investment totaling $43,818.10 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. These unauthorized disbursements caused a trust account shortage of $41,474.10, which has yet to be cured, after taking into account earned escrow fees in the amount of $2,344.00.

6. A demand was made to Respondents to perform a complete audit of the trust account books and records of Laurel Hill and replace all unauthorized disbursements made to Respondents. To date, no such audit or replacement of the unauthorized disbursements has occurred.

7. The above described violations constitute grounds under Financial Code section 17423 to bar a person from any position of employment, management or control of any escrow

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agent.

8. On May 16, 2011, the Commissioner issued a Notice of Intention to Issue Order Revoking Escrow Agent's License and to Issue an Order Pursuant to California Financial Code Section 17423 (Bar From Employment, Management or Control of Any Escrow Agent), Accusation and accompanying documents against Laurel Hill Escrow Services, Inc. and Maxine M. Beye based upon the above. Beye was served on May 18, 2011. The Department has received no request for a hearing from Beye and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Maxine M. Beye is hereby barred from any position of employment, management or control of any escrow agent. This order is effective as of the date hereof.

Dated: June 6, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner

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