PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
BLAINE A. NOBLETT (BAR NO. 235612)
Corporations Counsel
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
Telephone: (213) 576-1396 Fax: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. FIRESTONE ESCROW CORPORATION, Respondent.	File No.: 963-1927 **ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT TO FINANCIAL CODE SECTION 17415**

TO: FIRESTONE ESCROW CORPORATION
7227 Rio Flora Place
Downey, California 90241

8221 W. 3rd Street, Suite 303
Downey, California 90241

COMERICA BANK
2321 Rosecrans Avenue, Suite 5000
El Segundo, California 90245-4537

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

1. Firestone Escrow Corporation ("Firestone") has refused to submit its books, papers and affairs to the California Corporations Commissioner ("Commissioner") for inspection in violation

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of Financial Code section 17405 and California Code of Regulations, title 10, section 1730, as follows:

A. On or about March 24, 2009, Firestone's president Lizely Roldan ("Roldan") wrote to the Department of Corporations ("Department") requesting the surrender of Firestone's escrow agent's license. The Department responded in writing on or about April 14, 2009, demanding that prior to the acceptance of the surrender, Firestone submit a closing audit prepared by a certified public accountant within one hundred five (105) days from the date of its application to surrender, or July 7, 2009. The Department never received Firestone's closing audit, such that the surrender of Firestone's license was never accepted by the Department.

B. Thereafter, beginning on or about March 23, 2010, the Department undertook an investigation into the status of Firestone's business following the receipt of a complaint from a consumer who was unable to contact the business after demanding the return of his escrow deposit.

C. On or about March 24, 2010, the Commissioner's examiner met with Roldan, providing her with a written demand requesting certain books and records related to Firestone's business, including copies of the trust bank reconciliation from January 31, 2008 through May 31, 2009, trust bank statements, including copies of paid checks, from January 31, 2008 to February 1, 2010, month-end reports for the period January 31, 2008 to May 31, 2009, general account statements, among other items. Firestone's response to the demand was due before March 29, 2010. No response to the demand was ever received from the licensee.

D Thereafter, on or about April 1, 2010, the Commissioner sent a second demand to Roldan, requesting that Firestone provide the above-listed documents and records to the Department on or before April 5, 2010. Firestone never responded to the demand.

E. Given Firestone's refusal to grant the Commissioner access to its books and records, the Department is presently unable to determine the full extent of any trust account shortages, if any.

2. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("annual audit report") within one hundred five (105) days after the close of their fiscal year. Firestone's fiscal year-end is December 31st. Accordingly, Firestone was required to file its annual audit report for the fiscal years

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ended December 31, 2008 and December 31, 2009, on or before April 15, 2009 and April 15, 2010, respectively. To date, Firestone has yet to file its annual audit reports with the Commissioner as is required by Financial Code section 17406.

3. Finally, Firestone has failed to comply with the bonding requirements of Financial Code section 17202 in that effective February 16, 2010, bond number 14BSBBK9704 issued by Hartford Fire Insurance Company in favor of Firestone was cancelled and no replacement bond obtained.

Based upon the foregoing, Firestone Escrow Corporation is conducting its escrow business in such an unsafe and injurious manner as to render further operations hazardous to the public or customers.

NOW, BASED UPON THE FOREGING, AND GOOD CAUSE APPEARING THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that Firestone Escrow Corporation and any person having in his or her possession any escrow or trust funds or general account funds to discontinue immediately the receipt or disbursement of any such funds, documents or other property in its possession, custody or control.

This order is to remain in full force and effect until further order of the Commissioner.

California Financial Code section 17415 provides as follows:

> (a) If the commissioner, as a result of any examination or from any report made to him or her, shall find that any person subject to this division is in an insolvent condition, is conducting escrow business in such an unsafe and injurious manner as to render further operations hazardous to the public or to customers, has failed to comply with the provisions of section 17212.1 or 17414.1, has permitted its tangible net worth to be lower than the minimum required by law, has failed to maintain its liquid assets in excess of current liabilities as set forth in Section 17210, or has failed to comply with the bonding requirements of Chapter 2 (commencing with Section 17200) of this division, the commissioner may, by an order addressed to and served by registered or certified mail or personal service on such person and on any other person having in his or her possession or control any escrowed funds, trust funds or other property deposited in escrow with said person, direct discontinuance of the disbursement of trust funds by the parties or any of them, the receipt of trust funds, the delivery or recording of documents received in escrow, or other business operations. No person having in his or her possession any of these funds or documents shall be liable for failure to

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comply with the order unless he or she has received written notice of the order. Subject to subdivision (b), the order shall remain in effect until set aside by the commissioner in whole or in part, the person is the subject of an order for relief in bankruptcy, or pursuant to Chapter 6 (commencing with Section 17621) of this division the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code. Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing of service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right for a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: May 25, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

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