BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the matter of FIRST NATIONAL ESCROW a licensee under the Escrow Law	))))))))	File No.: 963 1931

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: FIRST NATIONAL ESCROW
3759 Arlington Avenue, #600
Riverside, CA 92560

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

FIRST NATIONAL ESCROW has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective January 1, 2011 Bond No. 41133386 issued by PLATTE RIVER INSURANCE COMPANY in favor of FIRST NATIONAL ESCROW expired and no replacement bond has been obtained.

Based upon the foregoing, FIRST NATIONAL ESCROW is conducting escrow business in violation of Section 17202 of the Financial Code and is conducting business in an unsafe and injurious manner as to render further operations hazardous to the public or to customers.

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California Financial Code, that FIRST NATIONAL ESCROW immediately discontinue acceptance of any new escrow or joint control business, and of money, documents or other property in connection therewith.

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

Section 17415 of the Financial Code 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 business in such an unsafe or 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 by 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 comply with the order unless he or she has 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 has been adjudged bankrupt, or pursuant to Chapter 6 (commencing with Section 17621) of this division the commissioner has assumed possession of the escrow agent.
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> (b) Within 15 days from the date of any 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 or 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 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

Dated: January 3, 2011
Los Angeles, California

Preston DuFauchard
California Corporations Commissioner

By_____
Kathleen R. Partin
Special Administrator
(213) 576-7595