PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
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DEPARTMENT OF CORPORATIONS
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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. ESCROWNOVA, INC., Respondent.	File No.: 963-2502 **ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT TO FINANCIAL CODE SECTION 17415**

TO: ESCROWNOVA, INC.
1138 North Pacific Avenue, Unit C
Glendale, California 91202

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

ESCROWNOVA, INC. ("Escrownova") has failed to comply with the liquid asset and tangible net worth requirements of Financial Code section 17210 of the California Escrow Law (Fin. Code, §§ 17000 et seq.) ("Escrow Law"). Escrownova's most recent financial statement, its annual audit report for the period ended December 31, 2010, discloses a net liquid asset deficiency of $40,119.00 and a tangible net worth deficiency of $56,765.00. Escrownova has to date failed to provide updated financial statements showing these deficiencies have been resolved, despite the Department of Corporations' written request.

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

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 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 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 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.
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> (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 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).

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NOW, THEREFORE, GOOD CAUSE APPERING, it is hereby ORDERED, pursuant to Financial Code section 17415, that ESCROWNOVA, INC. 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.

DATED: July 25, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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