MARY ANN SMITH
Deputy Commissioner
DOUGLAS M. GOODING
Assistant Chief Counsel
TIMOTHY L. Le BAS (CA BAR NO. 135565)
Senior Corporations Counsel
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814
Telephone: (916)322-2050 Fax: (916) 445-6985

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, Complainant, vs. WEE PREFER ESCROW, INC., STEVE YANG and TAMMI NGUYEN, Respondents.	File No.: 963-2546 ACCUSATION

The Commissioner of Business Oversight of the State of California, formerly the Commissioner of Corporations, ("Commissioner"), is informed and believes, and based upon that information and belief, alleges and charges as follows:

I.

1. Wee Prefer Escrow, Inc. ("WPE") is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California as set forth in Financial Code section 17000 *et seq*. (All future references to sections are to the California Financial Code.)

2. WPE has its principal place of business located at 642 Katella Avenue, Orange, California 92867.

3. Respondent Steve Yang ("Yang") is, and was at all times relevant herein, the

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president and owner of WPE

4. Respondent Tammi Nguyen ("Nguyen") is, and was at all times relevant herein, the escrow manager of WPE.

II.

5. On or about September 5, 2012, the Commissioner issued an order to WPE pursuant to section 17415 (hereinafter the "stop order"). The stop order was issued by the Commissioner because WPE failed to meet the minimum financial requirements of law.

6. The stop order required WPE to immediately discontinue acceptance of any new escrow or joint control business, and of money, documents, or other property in connection therewith. The stop order was served by certified mail and received by WPE on or about September 13, 2012.

7. On or about April 5, 2013, the Commissioner issued an order setting aside the September 5, 2012 stop order. This order was served by certified mail and facsimile, and was received by WPE on or about April 5, 2013. Thus, the stop order was in effect from approximately September 13, 2012 to April 5, 2013.

III.

8. During the time the stop order was in effect, WPE continued to accept new escrow business in direct violation of the stop order. Violations of the stop order by WPE were detected on multiple occasions by an examiner of the Department of Business Oversight (formerly the Department of Corporations) ("Department").

9. On or about December 4, 2012, the Department examiner commenced a regulatory examination of the books and records of WPE. At the time of this regulatory examination, the Department examiner provided another copy of the stop order to Yang and to Nguyen. During the regulatory examination, the Department examiner discovered that WPE opened approximately 201 escrows (escrow numbers 2912-TN to 3113-TN) between September 13, 2012 and December 3, 2012. Approximately 61 of these escrows were closed prior to December 31, 2012. Thus, WPE repeatedly violated the stop order. Specific examples of escrows conducted by WPE, with estimated opening and closing dates, include:

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Escrow No.	Opened	Closed
2959-TN	9/28/12	11/15/12
2973-TN	10/3/12	11/9/12
2979-TN	10/5/12	11/9/12
3000-TN	10/16/12	11/16/12
3037-TN	10/26/12	11/16/12
3055-TN	11/5/12	11/9/12
3102-N	11/29/12	1/28/13

10. On or about January 9, 2013, the Department examiner found that WPE had opened at least one new escrow (escrow number 2936B-TN) on December 26, 2012 during the time of the regulatory examination. Therefore, WPE continued to violate the stop order even while the Department was conducting its examination.

11. On or about May 2, 2013 and May 3, 2013, the Department examiner returned to WPE to review the books and records. The examiner found that WPE had opened approximately 64 additional escrows from January 2013 through March 2013 (of which approximately 57 were closed), using old and cancelled escrow numbers. These escrow numbers were:

2387-TN, 2427-TN, 2580-TN, 2627-TN, 2727-TN, 1693-TN, 2199-TN, 2509-TN, 2566-TN, 2720-TN, 2762-TN, 2773-TN, 2813-TN, 2836-TN, 2845-TN, 2858-TN, 2917-TN, 2936-TN, 2974-TN, 1550-TN, 1566-TN, 1634-TN, 1683-TN, 1698-TN, 1781-TN, 1793-TN, 1816-TN, 1902-TN, 1909-TN, 1954-TN, 1973-TN, 2030-TN, 2145-TN, 2153-TN, 2259-TN, 2346-TN, 2382-TN, 2447-TN, 2581-TN, 2598-TN, 2627-TN, 2628-TN, 2654-TN, 2686-TN, 2687-TN, 2700-TN, 2706-TN, 2715-TN, 2740-TN, 2757-TN, 2759-TN, 2780-TN, 2782-TN, 2786-TN, 2788-TN, 2795-TN, 2828-TN, 2830-TN, 2843-TN, 2844-TN, 2895-TN, 2942-TN, 2946-TN, 2974-TN

Specific examples of escrows conducted by WPE using old and cancelled escrow numbers, with estimated opening and closing dates, include:

Escrow No.	Opened	Closed
2259-TN	1/29/13	3/25/13
1550-TN	2/8/13	3/19/13
1698-TN	1/22/13	3/22/13
1634-TN	2/7/13	3/1/13
1909-TN	1/23/13	3/29/13

Consequently, WPE continued to violate the stop order even after the regulatory examination

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of the Department, and after receiving multiple copies of the stop order by certified mail and by personal delivery of the examiner.

IV.

California Financial Code section 17608 provides in pertinent part:

> The Commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:
> (b) The licensee has violated any provision of this division….

Section 17415 authorizes the Commissioner to issue an order directing an escrow agent to discontinue new business, as specified. As previously discussed above, WPE violated section 17415 by conducting new escrows during the time that a stop order was in place.

California Financial Code section 17608 also provides that the Commissioner may revoke a license, as specified, if she finds:

> (c) Any fact or conditions exist which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

Section 17209.3 allows the commissioner to refuse to issue a license if she finds that any "incorporator, officer, or director has, within the last ten years, ….(2) committed any act involving dishonesty, fraud, or deceit, which crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with the provisions of this division."

The Commissioner considers WPE and Yang's violations of the stop order acts of dishonesty and deceit. The Commissioner would not have originally issued a license to WPE if she had known at the time of the original issuance that WPE and Yang would commit these acts of dishonesty and deceit.

V.

12. California Financial Code section 17423 provides in pertinent part:

> (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment,

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management, or control any escrow agent, or any other person, if the commissioner finds either of the following:

(1) That the . . . bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

13. The Complainant finds that, by reason of the foregoing, Respondents Yang and Nguyen have (on a continuous basis) committed or caused a violation of an order of the Commissioner, and the violation was either known or should have been known by them. Accordingly, grounds exist to bar Yang and Nguyen from any position of employment, management or control of any escrow agent, and it is in the public interest to do so.

WHEREFORE, IT IS PRAYED that the escrow agent's license of Respondent Wee Prefer Escrow, Inc. be revoked and that Respondents Steve Yang and Tammi Nguyen be barred from any position of employment, management or control of any escrow agent.

Dated: October 21, 2013
Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By_____
TIMOTHY L. Le BAS
Senior Corporations Counsel

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