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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11 In the Matter of THE COMMISSIONER OF) File No.: 963-0108
BUSINESS OVERSIGHT,)
12)
Complainant,) **AMENDED ORDER TO DISCONTINUE**
13) **ESCROW ACTIVITIES PURSUANT TO**
v.) **FINANCIAL CODE SECTION 17415¹**
14)
EXECUTIVE ESCROW COMPANY,)
15)
Respondent.)
16)
17)
18)

19 TO: EXECUTIVE ESCROW COMPANY
20 115 South El Camino Real
San Clemente, California 92672

21 THE COMMISSIONER OF THE CALIFORNIA DEPARTMENT OF BUSINESS
22 OVERSIGHT (“DEPARTMENT”) FINDS THAT:

23 A. Executive Escrow Company has failed to maintain, at all times, liquid assets in the
24 amount of at least \$25,000.00 and a tangible net worth of at least \$50,000.00, as required by
25 Financial Code section 17210 under the California Escrow Law (Fin. Code, §§ 17000 *et seq.*)
26

27 ¹ This Order has been amended for the sole purpose of correcting facts recited in Paragraph D. Notwithstanding this
28 amendment, the original Order of September 24, 2014 remains in full effect.

1 (“Escrow Law”).

2 B. A regulatory examination commenced by the Department on December 4, 2012
3 disclosed that for the period ending September 30, 2012, Executive Escrow Company had a liquid
4 asset deficiency in the amount of at least \$19,662.60 and a tangible net worth deficiency of at least
5 \$164,554.28 in violation of Financial Code section 17210.

6 C. On or about March 11, 2013, the Commissioner made written demand upon Executive
7 Escrow Company to provide proof of correction of the liquid asset and tangible net worth
8 deficiencies within 30 days of the date of the letter. Executive Escrow Company failed to provide
9 evidence that it had cured the deficiencies.

10 D. The Department’s subsequent review of the financial statements of Executive Escrow
11 Company as of March 31, 2014 disclosed a liquid asset deficiency in the amount of at least
12 \$21,381.62 and a tangible net worth deficiency of at least \$95,883.05 in violation of Financial Code
13 section 17210.

14 E. On or about May 13, 2014, the Commissioner made another written demand upon
15 Executive Escrow Company to provide proof of correction of the liquid asset and tangible net worth
16 deficiencies within 30 days of the date of the letter.

17 F. To date, Executive Escrow Company has failed and continues to fail to provide the
18 Commissioner evidence that it has cured the liquid asset and tangible net worth deficiencies, in
19 violation of Financial Code section 17210.

20 Based upon the foregoing, Executive Escrow Company is conducting its escrow business in
21 such an unsafe or injurious manner as to render further operations hazardous to the public or to
22 customers.

23 NOW, BASED UPON THE FOREGING, AND GOOD CAUSE APPEARING
24 THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that
25 Executive Escrow Company immediately discontinue acceptance of any new escrow or joint control
26 business, and of money, documents or other property in connection therewith.

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

28 Financial Code section 17415 provides:

1 (a) If the commissioner, as a result of any examination or from any report
 2 made to him or her, shall find that any person subject to this division is in an
 3 insolvent condition, is conducting escrow business in such an unsafe or
 4 injurious manner as to render further operations hazardous to the public or to
 5 customers, has failed to comply with the provisions of section 17212.1 or
 6 17414.1, has permitted its tangible net worth to be lower than the minimum
 7 required by law, has failed to maintain its liquid assets in excess of current
 8 liabilities as set forth in Section 17210, or has failed to comply with the
 9 bonding requirements of Chapter 2 (commencing with Section 17200) of this
 10 division, the commissioner may, by an order addressed to and served by
 11 registered or certified mail or personal service on such person and on any other
 12 person having in his or her possession or control any escrowed funds, trust
 13 funds or other property deposited in escrow with said person, direct
 14 discontinuance of the disbursement of trust funds by the parties or any of them,
 15 the receipt of trust funds, the delivery or recording of documents received in
 16 escrow, or other business operations. No person having in his or her
 17 possession any of these funds or documents shall be liable for failure to
 18 comply with the order unless he or she has received written notice of the order.
 19 Subject to subdivision (b), the order shall remain in effect until set aside by the
 20 commissioner in whole or in part, the person is the subject of an order for relief
 21 in bankruptcy, or pursuant to Chapter 6 (commencing with Section 17621) of
 22 this division the commissioner has assumed possession of the escrow agent.

23 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
 24 person may request a hearing under the Administrative Procedure Act, Chapter
 25 5 (commencing with Section 11500) of Division 3 of Title 2 of the
 26 Government Code. Upon receipt of a request, the matter shall be set for
 27 hearing to commence within 30 days after such receipt unless the person
 28 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).

22 DATED: October 10, 2014

23 Sacramento, California

JAN LYNN OWEN

Commissioner of Business Oversight

25 By _____

MARY ANN SMITH
 Deputy Commissioner
 Enforcement Division