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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. 963-1992
BUSINESS OVERSIGHT,)
12) ORDER TO DISCONTINUE ESCROW
Complainant,) ACTIVITIES PURSUANT TO FINANCIAL
13) CODE SECTION 17415
14 vs.)
15)
16 ESCROW PALACE, INC.,)
17)
18 Respondent.)
19)

20
21 TO: ESCROW PALACE, INC.
22 17514 Ventura Boulevard, Suite 102
Encino, California 91316

23 THE COMMISSIONER OF BUSINESS OVERSIGHT FINDS THAT:

- 24 1. Escrow Palace, Inc. (“Escrow Palace”), according to its most recent financial
25 statements dated November 30, 2014, has a liquid asset deficiency of \$12,763.00 and a tangible net
26 worth deficiency of \$1,217.00 in violation of Financial Code section 17210.
27 2. Escrow Palace has had an ongoing liquid asset and/or tangible net worth deficiency
28 since on or about August 31, 2012.

1 3. Escrow Palace has failed to correct the liquid asset and/or tangible net worth
2 deficiencies despite repeated demands, and in fact, continued to advance monies to its
3 officer/shareholder despite assurances that it would correct the deficiencies by depositing fee income
4 into the company and refraining from compensating its officer/shareholder. Advances to its
5 officer/shareholder grew from a total of \$47,326.00 in August 2012 to \$170,144.00 in November
6 2104.

7 Based upon the foregoing, Escrow Palace has failed to maintain the required liquid assets and
8 tangible net worth as set forth in Financial Code section 17210.

9 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
10 THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that
11 Escrow Palace immediately discontinue acceptance of any new escrow or joint control business, and
12 of money, documents or other property in connection therewith.

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

14 Financial Code section 17415 provides as follows:

15 (a) If the commissioner, as a result of any examination or from any
16 report made to him or her, shall find that any person subject to this
17 division is in an insolvent condition, is conducting escrow business in
18 such an unsafe or injurious manner as to render further operations
19 hazardous to the public or to customers, has failed to comply with
20 the provisions of Section 17212.1 or 17414.1, has permitted its tangible
21 net worth to be lower than the minimum required by law, has failed to
22 maintain its liquid assets in excess of current liabilities as set forth in
23 Section 17210, or has failed to comply with the bonding requirements
24 of Chapter 2 (commencing with Section 17200) of this division, the
25 commissioner may, by an order addressed to and served by registered
26 or certified mail or personal service on such person and on any other
27 person having in his or her possession or control any escrowed funds,
28 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

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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: January 14, 2015
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division