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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA
10

11	In the Matter of:)	
12	THE COMMISSIONER OF BUSINESS)	ACCUSATION IN SUPPORT OF ORDER
13	OVERSIGHT,)	BARRING DORIAN P. BAKER, AKA
14	Complainant,)	DORIAN YOUNG FROM ANY POSITION OF
15	v.)	EMPLOYMENT, MANAGEMENT OR
16	DORIAN P. BAKER, aka DORIAN YOUNG,)	CONTROL OF ANY ESCROW AGENT
17	Respondent.)	
18)	
19)	

20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and
21 based upon such information and belief, alleges and charges as follows:

22 **I.**
23 **Introduction**

- 24 1. The Commissioner seeks to bar Dorian P. Baker, aka Dorian Young (Baker) from any
25 position of employment, management, or control of any escrow agent, pursuant to Financial Code
26 section 17423 for violations of the Escrow Law (Fin. Code § 17000 et seq.).
- 27 2. Baker was employed as an escrow officer at Ontitle Escrow, Inc. (Ontitle), an escrow
28 agent licensed by the Commissioner. Ontitle has its principle place of business located at 200 East

1 Sandpointe Avenue, Suite 510, Santa Ana, California 92707.

2 3. On or about October 11, 2016, Ontitle notified the Commissioner that Baker, a
3 former escrow officer, had misapplied \$4,321.68 in escrow funds. Baker had issued and paid funds
4 to unrelated parties in at least eight escrow transactions.

5 **II.**

6 **October 2016 Special Examination**

7 4. On or about October 13, 2016, the Commissioner commenced a special examination
8 of the escrow files handled by Baker, which revealed that Baker disbursed escrow funds from at
9 least eight escrow files to other unrelated escrows and parties without any written authorization. In
10 addition, Baker comingled California escrow funds with transactions from other states.

11 5. The unauthorized disbursements of escrow funds, in the amount of \$4,321.68, were
12 made from 2014 to 2016, during Baker's employment with Ontitle. Below is a table of the
13 unauthorized disbursements of escrow funds:

14 <u>Escrow #</u>	<u>Amount</u>	<u>Date(s) Cleared</u>	<u>Wire/Ck. Issued to</u>
15 14-01396	\$1,267.50	02/06/2015	14AZ-00017
16		03/13/2015	15MD-00005
17		04/13/2015	15WA-00354
18 15-02032	\$450.00	05/11/2015	15-02056
19		06/02/2015	14-01600
20		12/29/2015	15-02955
21 14-01454	\$1,051.00	01/11/2016	15-03073
22		03/02/2016	15AZ-00078
23 14-01712	\$1,090.60	06/03/2015	15-01933
24		06/22/2015	15-01892
25		06/22/2015	15-02132
26		06/22/2015	15-00320
27 14-01366	\$17.58	03/02/2016	16AZ-00136
28 2015MD-00015	\$25.00	02/05/2016	15-03093

1	2013-00297	\$375.00	04/29/2014	14-00744
2	14AZ-00025	<u>\$45.00</u>	12/18/2015	15-02871
3	Total	\$4,321.68		

4 6. Under Financial Code section 17414, subdivision (a)(1), and California Code of
5 Regulations, title 10, sections 1738 and 1738.2, escrow funds shall not be disbursed unless
6 authorized by the principal(s) to the escrow transaction. Baker disbursed escrow funds from closed
7 escrows with a balance to unrelated escrows and parties without proper authorization. Below are
8 some examples of the unauthorized disbursements:

9 (a) Escrow #14-01396

10 On or about November 14, 2014, escrow number 14-01396 received a wire in the amount of
11 \$1,966.01 to be credited to the borrowers. In February, March and April 2015, Baker made three
12 unauthorized disbursements in the total amount of \$1,267.50 to unrelated escrows, escrow numbers
13 14AZ-00017, 15MD-00005, and 15WA-00354, without any written authorization from the
14 principals of escrow number 14-01396 authorizing the disbursements.

15 (b) Escrow #15-02032

16 On or about March 12, 2015, escrow number 15-02032 received a wire in the amount of
17 \$1,906.67 to be credited to the borrowers. In May and December 2015, Baker made three
18 unauthorized disbursements in the total amount of \$450.00 to three unrelated escrows, escrow
19 numbers 15-02056, 14-01600, and 15-02955, without any written authorization from the principals
20 of escrow number 15-02032 authorizing the disbursement.

21 (c) Escrow #14-01454

22 On or about November 26, 2014, escrow number 14-01454 received a wire in the amount of
23 \$2,297.90 to be credited to the borrowers. In January and March 2016, Baker made two
24 unauthorized disbursements in the total amount of \$1,051.00 to unrelated escrows, escrow numbers
25 15-03073 and 15AZ-00078, without any written authorization from the principals of escrow number
26 14-01454 authorizing the disbursement.

27 (d) Escrow #14-01712

28 On or about January 27, 2015, escrow number 14-01712 received a wire in the amount of

1 \$1,839.41 to be credited to the borrowers. In June 2015, Baker made four unauthorized
2 disbursements in the total amount of \$1,090.60 to unrelated escrows, escrow numbers 15-01933, 15-
3 01892, 15-02132 and 15-00320, without any written authorization from the principals of escrow
4 number 14-01712 authorizing the disbursement.

5 (e) Escrow #14-01366

6 On or about October 31, 2014, escrow number 14-01366 received a wire in the amount of
7 \$11,606.95 to be credited to the borrowers. In March 2016, Baker made an unauthorized
8 disbursement in the total amount of \$17.58 to an unrelated escrow, number 16AZ-00136, without
9 any written authorization from the principals of escrow number 14-01366 authorizing the
10 disbursement.

11 (f) Escrow #2015MD-00015

12 On or about February 5, 2016, Baker made an unauthorized disbursement in the total amount
13 of \$25.00 to an unrelated escrow, escrow number 15-03093, without any written authorization from
14 the principals of escrow number 2015MD-00015 authorizing the disbursement.

15 (g) Escrow #2013-00297

16 In or about April 2014, Baker made an unauthorized disbursement in the total amount of
17 \$375.00 to an unrelated escrow, escrow number 14-00744, without any written authorization from
18 the principals of escrow number 2013-00297 authorizing the disbursement.

19 (h) Escrow #14AZ-00025

20 In or about December 2015, Baker made an unauthorized disbursement in the total amount of
21 \$45.00 to an unrelated escrow, escrow number 15-02871, without any written authorization from the
22 principals of escrow number 14AZ-00025 authorizing the disbursement.

23 **III.**
24 **Applicable Law**

25 7. Financial Code section 17414 provides in pertinent part:

26 (a) It is a violation for any person subject to this division or any
27 director, stockholder, trustee, officer, agent, or employee of any such
28 person to do any of the following:

1 (1) Knowingly or recklessly disburse or cause the disbursal of escrow
2 funds otherwise than in accordance with escrow instructions, or
3 knowingly or recklessly to direct, participate in, or aid or abet in a
4 material way, any activity which constitutes theft or fraud in connection
5 with any escrow transaction.

6 8. Financial Code section 17423 provides in pertinent part:

7 (a) The commissioner may, after appropriate notice and opportunity for
8 hearing, by order, censure or suspend for a period not exceeding 12
9 months, or bar from any position of employment, management, or
10 control any escrow agent, or any other person, if the commissioner
11 finds either of the following:

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

17 . . .

18 (b) Within 15 days from the date of a notice of intention to issue an
19 order pursuant to subdivision (a), the person may request a hearing
20 under the Administrative Procedure Act (Chapter 5 (commencing with
21 Section 11500) of Division 3 of Title 2 of the Government Code).
22 Upon receipt of a request, the matter shall be set for hearing to
23 commence within 30 days after such receipt unless the person subject
24 to this division consents to a later date. If no hearing is requested
25 within 15 days after the mailing or service of such notice and none is
26 ordered by the commissioner, the failure to request a hearing shall
27 constitute a waiver of the right to a hearing.

28 (c) Upon receipt of a notice of intention to issue an order pursuant to
this section, the person who is the subject of the proposed order is
immediately prohibited from engaging in any escrow processing
activities, including disbursing any trust funds in the escrow agent's
possession, custody or control, and the financial institution holding
trust funds shall be so notified by service of the notice, accusation and
other administrative pleadings. The prohibition against disbursement
of trust funds may be set aside, in whole or in part, by the
commissioner for good cause.

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IV.
Conclusion

The Commissioner finds that, by reason of the foregoing, Dorian P. Baker, aka Dorian Young violated Financial Code section 17414, subdivision (a)(1), and California Code of Regulations, title 10, sections 1738 and 1738.2 and it is in the best interest of the public to bar Dorian P. Baker, aka Dorian Young from any position of employment, management or control of any escrow agent, pursuant to Financial Code section 17423.

WHEREFORE, IT IS PRAYED that Dorian P. Baker, aka Dorian Young be barred from any position of employment, management or control of any escrow agent.

Dated: July 25, 2017
San Diego, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Afsaneh Eghbaldari
Counsel
Enforcement Division