

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
4 DEPARTMENT OF CORPORATIONS
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
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6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11	In the Matter of THE CALIFORNIA)	File No.: 963-2352
12	CORPORATIONS COMMISSIONER,)	
13	Complainant,)	DEMAND FOR AND ORDER TAKING
14	vs.)	POSSESSION OF THE TRUST FUNDS AND
15	A.C.T. ESCROW, INC.,)	ESCROW RECORDS OF A.C.T. ESCROW,
16	Respondent.)	INC. PURSUANT TO FINANCIAL CODE
17)	SECTION 17621

18 TO: A.C.T. ESCROW, INC.
 19 42231 6th Street W., Suite 205
 20 Lancaster, California 93534
 21 2155 East Garvey Avenue North, Suite B-10
 22 West Covina, California 91791
 23 EASTWEST BANK
 1900 Avenue of the Stars
 Los Angeles, California 90067

24 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
25 ("Commissioner"), has found that A.C.T. Escrow, Inc. ("ACT" or "Respondent"), an escrow agent
26 subject to the Escrow Law (Financial Code § 17000 et seq.), is unable to remedy certain conditions
27 set forth in the Notice and Summary of Findings Pursuant to Financial Code section 17621 issued by
28 the Commissioner on December 6, 2011; and

1 WHEREAS, Respondent is conducting its escrow business in an unsafe, injurious and
2 unauthorized manner, so as to render further operations hazardous to the public or to customers in
3 that Respondent:

4 (a) has engaged in unauthorized and unsafe practices by making unauthorized
5 disbursements of trust funds to its former manager of its West Covina branch, Vilma Escobar,
6 totaling at least \$269,504.46, but possibly as much as \$369,504.46, in violation of Financial Code
7 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

8 (b) by engaging in such unauthorized and unsafe practices caused a combined shortage of
9 at least \$269,504.46, but possibly as much as \$369,504.46, to exist in the main and branch trust
10 accounts of ACT in violation of California Code of Regulations, title 10, section 1738.1.

11 (c) has failed to maintain books and records in accordance with the requirements of
12 Financial Code section 17404 and California Code of Regulations, title 10, section 1732.2 at its West
13 Covina branch.

14 (d) has failed to cure the trust account shortage despite demands by the Commissioner
15 that Respondent cure the trust account shortage.

16 NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the
17 Commissioner, effective this date, hereby demands and takes possession of the trust accounts of
18 A.C.T. Escrow, Inc. and any indemnity funds paid or to be paid by Escrow Agents' Fidelity
19 Corporation, and all bank and escrow records pertinent thereto, and will retain possession thereof
20 until the Commissioner appoints a conservator, or until its affairs are finally liquidated as provided
21 for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent and upon
22 such conditions as the Commissioner may prescribe.

23 This Demand For and Order Taking Possession is effective as of the date hereof.

24 Dated: December 6, 2011
25 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

26
27 By _____
28 Alan S. Weinger
 Deputy Commissioner