

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS

10

OF THE STATE OF CALIFORNIA

11

In the Matter of THE CALIFORNIA
12 CORPORATIONS COMMISSIONER,

) File No.: 963-2527
)
)

13

Complainant,

) **DEMAND FOR AND ORDER TAKING**
) **POSSESSION OF THE TRUST FUNDS AND**
) **ESCROW RECORDS OF FIRST**
) **SOUTHWESTERN ESCROW PURSUANT**
) **TO FINANCIAL CODE SECTION 17621**
)

14

v.

15

16 FIRST SOUTHWESTERN ESCROW,

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Respondent.

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TO: FIRST SOUTHWESTERN ESCROW
30593 Union City Blvd., Suite 104
Union City, California 94587
E-mail: kmacapagal@fswescrow.com

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WELLS FARGO BANK
30593 Union City Blvd., Suite 104
Union City, California 94587-1515

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WELLS FARGO BANK
455 Hickey Blvd., Suite 205C
Daly City, California 94015

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1 WELLS FARGO BANK
2 1652 West Texas St., Suite 273
3 Fairfield, California 94533

4 WELLS FARGO BANK
5 500 East Calaveras Blvd., Suite 214
6 Milpitas, California 95035

7 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
8 ("Commissioner"), has found that First Southwestern Escrow ("Respondent" or, alternatively, "First
9 Southwestern"), an escrow agent subject to the California Escrow Law (Fin. Code, §§ 17000 et seq.)
10 ("Escrow Law"), is unable to remedy certain conditions set forth in the Notice and Summary of
11 Findings Pursuant to section 17621 of the Financial Code issued by the Commissioner on December
12 1, 2010; and

13 WHEREAS, Respondent is conducting its escrow business in an unsafe, injurious and
14 unauthorized manner, so as to render further operations hazardous to the public and to customers in
15 that Respondent has:

16 (a) caused a shortage in the trust account of at least \$144,000.00 in violation of Financial
17 Code section 17414 and California Code of Regulations, title 10, section 1738.1;

18 (b) failed to provide the Commissioner with copies of the bank reconciliations or trust
19 account bank records in violation of Financial Code section 17404 and California Code of
20 Regulations, title 10, section 1732.2;

21 (c) failed to submit its books, papers and affairs to the Commissioner for inspection in
22 violation of Financial Code section 17405 and California Code of Regulations, title 10, section 1730;
23 and

24 (d) abandoned the escrow business.

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NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the Commissioner, effective this date, hereby demands and takes possession of the trust accounts of First Southwestern Escrow and all bank and escrow records pertinent thereto and will retain possession thereof until the Commissioner appoints a conservator, or until its affairs are finally liquidated as provided for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent and upon such conditions as the Commissioner may prescribe.

DATED: December 1, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division