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California Corporations Commissioner
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of THE CALIFORNIA) File No.: 963-2148
CORPORATIONS COMMISSIONER,)
13)
14 Complainant,) ORDER TO DISCONTINUE ESCROW
) ACTIVITIES PURSUANT TO CALIFORNIA
15 v.) FINANCIAL CODE SECTION 17415
16 R & R ESCROW, INC.,)
17)
18 Respondent.)
19)

20 TO: R & R ESCROW, INC.
21 40 West Cochran Street, Ste.208
22 Simi Valley, CA 93065

23 THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA FINDS

24 THAT:

25 R & R ESCROW, INC. (“R & R Escrow”) has failed to comply with the liquid asset and
26 tangible net worth requirements of section 17210 of the Escrow Law, set forth at California
27 Financial Code section 17000 *et. seq.* R & R Escrow’s most recent financial statement, its annual
28 audit report for the period ended May 31, 2006, discloses a net liquid asset deficiency of \$27,453

1 and a tangible net worth deficiency of \$45,015. R & R ESCROW has to date failed to provide
2 updated financial statements showing these deficiencies have been resolved, despite the
3 Department’s written request.

4 Based upon the foregoing, R & R Escrow is conducting escrow business in such an unsafe
5 and injurious manner as to render further operations hazardous to the public or to customers.

6 Section 17415 of the Financial Code provides as follows:

7 (a) If the commissioner, as a result of any examination or from any
8 report made to him or her, shall find that any person subject to this
9 division is in an insolvent condition, is conducting escrow business in
10 such an unsafe or injurious manner as to render further operations
11 hazardous to the public or to customers, has failed to comply with the
12 provisions of Section 17212.1 or 17414.1, has permitted its tangible
13 net worth to be lower than the minimum required by law, has failed to
14 maintain its liquid assets in excess of current liabilities as set forth in
15 Section 17210, or has failed to comply with the bonding requirements
16 of Chapter 2 (commencing with Section 17200) of this division, the
17 commissioner may, by an order addressed to and served by registered
18 or certified mail or personal service on such person and on any other
19 person having in his or her possession or control any escrowed funds,
20 trust funds or other property deposited in escrow with said person,
21 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 has been adjudged bankrupt, or pursuant to
Chapter 6 (commencing with Section 17621) of this division the
commissioner has assumed possession of the escrow agent.

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

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NOW, THEREFORE, GOOD CAUSE APPEARING, it is hereby ORDERED pursuant to California Financial Code section 17415 that R & R ESCROW, INC. immediately discontinue acceptance of any new escrow or joint control business, and of money, documents or other property in connection therewith. This order is to remain in full force and effect until further order of the Commissioner.

Dated: August 28, 2007 at Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel