

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Corporations  
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5 Los Angeles, California 90013-2344  
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6 Attorneys for Complainant  
7

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

10  
11 In the Matter of THE CALIFORNIA ) Case No.: 963-0288  
CORPORATIONS COMMISSIONER, )  
12 )  
Complainant, ) DEMAND FOR AND ORDER TAKING  
13 ) POSSESSION OF THE TRUST FUNDS AND  
vs. ) ESCROW RECORDS OF STAR ESCROW  
14 ) CO., INC. PURSUANT TO CALIFORNIA  
15 STAR ESCROW CO., INC., ) FINANCIAL CODE SECTION 17621  
16 )  
Respondent. )  
17 )  
18 )

19 TO: STAR ESCROW CO., INC.  
20 3929 Tweedy Boulevard  
South Gate, California 90280  
21  
22 COMERICA BANK  
2321 Rosecrans Avenue, Suite 5000  
23 El Segundo, California 90245-4537

24 WHEREAS, Preston DuFauchard, the California Corporations Commissioner  
25 ("Commissioner"), has found that Star Escrow Co., Inc. ("Respondent"), an escrow agent subject to  
26 the Escrow Law (California Financial Code sections 17000 et seq.), is unable to remedy certain  
27 conditions set forth in the Notice and Summary of Findings Pursuant to section 17621 of the  
28 California Financial Code issued by the Commissioner on April 1, 2009; and

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

4 (a) Caused or allowed trust funds to be disbursed otherwise than in accordance with the  
5 escrow instructions in violation of Financial Code sections 17409 and 17414(a)(1) and California  
6 Code of Regulations, title 10, sections 1738 and 1738.2.

7 (b) Over-disbursed trust funds in various escrow accounts in violation of California Code  
8 of Regulations, title 10, sections 1738.1.

9 (c) Failed to maintain proper books and records in violation of Financial Code section  
10 17404 and California Code of Regulations, title 10, section 1732.2.

11 (d) By engaging in such unauthorized and unsafe practices has caused a shortage to exist  
12 in the trust account of at least \$256,390.40 as of July 31, 2008 in violation of California Code of  
13 Regulations, title 10, section 1738.1.

14 (e) Abandoned the escrow business.

15 (f) Failed to properly liquidate and wind down the escrow business leaving trust funds on  
16 deposit in the trust account, which trust funds totaled \$139,782.37 as of March 17, 2009.

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

23 Dated: April 1, 2009  
24 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

25  
26 By \_\_\_\_\_  
27 Alan S. Weinger  
28 Acting Deputy Commissioner