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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:

13 THE COMMISSIONER OF FINANCIAL
14 PROTECTION AND INNOVATION,

15 Complainant,

16 v.

17 STATEWIDE ESCROW, INC.,

18 Respondent.

) ESCROW LICENSE NO.: 96DBO-90940

) ORDER TO DISCONTINUE ESCROW
ACTIVITIES PURSUANT TO FINANCIAL
CODE SECTION 17415

21
22 TO: STATEWIDE ESCROW, INC.
17200 Ventura Blvd., Suite 105
23 Encino, California 91316
ATTN: Marina Clark

24
25 CITIZENS BUSINESS BANK
16830 Ventura Blvd, 310
26 Encino, California 91436

27
28 CITY NATIONAL BANK
525 S. Flower St.
Los Angeles, California 90071

1 THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION
2 (COMMISSIONER) FINDS THAT:

3 1. The Department of Financial Protection and Innovation (DFPI) commenced a
4 regulatory examination of Statewide Escrow, Inc. (Statewide Escrow) on December 2, 2022. As part
5 of the examination, the DFPI requested documents covering the period December 1, 2021 to
6 December 2, 2022. Despite repeated demands for its books and records, Statewide Escrow failed to
7 provide the required books and records, preventing the DFPI from assessing the company’s
8 compliance with the California Escrow Law (Escrow Law) in connection with its escrow agent’s
9 license.

10 2. On January 13, 2025, the DFPI examiner conducting the examination (Examiner)
11 requested the following: trust account bank statements from January 31, 2023 to December 31, 2024
12 and general account bank statements from December 21, 2021 to December 31, 2024. Upon
13 reviewing the bank statements, the examiner identified a \$323,437.72 shortage in the trust account,
14 caused by 128 unauthorized transfers to the general account from August 2021 to June 2024. It
15 appears that both the trust and general accounts have since been closed.

16 3. In late February 2025, the Examiner reviewed the trust account reconciliations
17 prepared by Statewide Escrow’s reconciler, RBJ and confirmed the shortage of \$323,437.72.

18 4. On March 14, 2025, the demand letter requiring Statewide Escrow to replenish the
19 trust account was sent by email. The deadline to comply or respond was March 17, 2025. As of
20 today, Statewide Escrow has neither addressed the trust account shortage nor provided a response.

21 5. On March 17, 2025, the Examiner communicated with Marina Clark (Clark),
22 Statewide Escrow’s president and owner, to confirm receipt of the demand letter dated March 14,
23 2025 and inquire about the company’s response. Clark stated that she was in the hospital and unable
24 to talk. She provided her email address and mentioned that she does not have an office location, as
25 she has not conducted business since “last year.” She also claimed that “files got damage while we
26 were evacuating during fires” and that she only has “digital files for lates transactions stored in
27 RBJ.”

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1 6. Pursuant to Financial Code section 17202, subdivision (a), Statewide Escrow was
2 required to maintain a surety bond of at least \$25,000.00. This bond is intended to benefit the state
3 and any person with a valid claim against the bond’s obligor under this division. However, Statewide
4 Escrow has purportedly ceased operations, and its \$35,000.00 surety bond was cancelled in
5 December 2022 – over two years ago – rendering the Commissioner unable to file a claim.
6 Furthermore, there are no other assets from which the DFPI can recover any portion of the
7 \$323,437.72 trust account shortage.

8 7. Under Financial Code section 17406, every licensee under the Escrow Law must file
9 an annual audit report with audited financial statements within 105 days of the close of its fiscal year.
10 Since Statewide Escrow’s fiscal year ends on December 31, it was required to submit its annual audit
11 report for the fiscal year 2022 by April 15, 2023. The failure to do so constitutes a violation of
12 Section 17602.5. To date, Statewide Escrow has not submitted its annual audit report for the fiscal
13 year 2022.

14 Based upon the foregoing, Statewide Escrow, Inc. is conducting its escrow business in such
15 an unsafe or injurious manner as to render further operations hazardous to the public or to customers.

16 NOW, BASED UPON THE FOREGOING, AND GOOD CAUSE APPEARING
17 THEREORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that
18 Statewide Escrow, Inc. and any person having in his or her possession any escrow or trust funds or
19 general account funds to discontinue immediately the receipt or disbursement of any such funds,
20 documents or other property in its possession, custody or control.

21 This order is to remain in full force and effect until further order of the Commissioner.

22 Financial Code section 17415 provides as follows:

- 23
- 24 (a) If the commissioner, as a result of any examination or from any
25 report made to him or her, shall find that any person subject to this
26 division is in an insolvent condition, is conducting escrow business in
27 such an unsafe or injurious manner as to render further operations
28 hazardous to the public or to customers, has failed to comply with the
provisions of section 17212.1 or 17414.1, has permitted its tangible net
worth to be lower than the minimum required by law, has failed to
maintain its liquid assets in excess of current liabilities as set forth in

1 Section 17210, or has failed to comply with the bonding requirements
2 of Chapter 2 (commencing with Section 17200) of this division, the
3 commissioner may, by an order addressed to and served by registered
4 or certified mail or personal service on such person and on any other
5 person having in his or her possession or control any escrowed funds,
6 trust funds or other property deposited in escrow with said person,
7 direct discontinuance of the disbursement of trust funds by the parties
8 or any of them, the receipt of trust funds, the delivery or recording of
9 documents received in escrow, or other business operations. No person
10 having in his or her possession any of these funds or documents shall
11 be liable for failure to comply with the order unless he or she has
12 received written notice of the order. Subject to subdivision (b), the
13 order shall remain in effect until set aside by the commissioner in
14 whole or in part, the person is the subject of an order for relief in
15 bankruptcy, or pursuant to Chapter 6 (commencing with Section
16 17621) of this division the commissioner has assumed possession of the
17 escrow agent.

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19 (b) Within 15 days from the date of an order pursuant to subdivision
20 (a), the person may request a hearing under the Administrative
21 Procedure Act, Chapter 5 (commencing with Section 11500) of
22 Division 3 of Title 2 of the Government Code. Upon receipt of a
23 request, the matter shall be set for hearing to commence within 30 days
24 after such receipt unless the person subject to this division consents to a
25 later date. If no hearing is requested within 15 days after the mailing or
26 service of such notice and none is ordered by the commissioner, the
27 failure to request a hearing shall constitute a waiver of the right to a
28 hearing. Neither the request for a hearing nor the hearing itself shall
stay the order issued by the commissioner under subdivision (a).

Dated: March 19, 2025
Los Angeles, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division