

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  
Telephone: (213) 576-1396 Fax: (213) 576-7181

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 6<sup>th</sup> 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