

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) 576-7604 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.: 963-1201
CORPORATIONS COMMISSIONER,)
12)
13 Complainant,) DEMAND FOR AND ORDER TAKING
14 vs.) POSSESSION OF PROPERTY AND
APPLE ESCROW,) BUSINESS PURSUANT TO CALIFORNIA
15) FINANCIAL CODE SECTION 17621
16 Respondent.)
17)
18)

19 TO: APPLE ESCROW
20 13585 Whittier Blvd., Suite 103
Whittier, California 90605
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 Apple Escrow ("Apple Escrow" or "Respondent"), an escrow
26 agent subject to the Escrow Law (California Financial Code §§ 17000 et seq.), is unable to remedy
27 certain conditions set forth in the Notice and Summary of Findings Pursuant to Financial Code
28 section 17621 issued by the Commissioner on April 20, 2010; and

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

4 (a) has engaged in unauthorized and unsafe practices by issuing unauthorized
5 disbursements to itself from the escrow trust account in violation of Financial Code section
6 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

7 (b) by engaging in such unauthorized and unsafe practices has caused a shortage to exist
8 in the trust account of at least \$47,707.32 in violation of California Code of Regulations, title 10,
9 section 1738.1.

10 (c) has failed to maintain books and records in accordance with the requirements of
11 Financial Code section 17404 and California Code of Regulations, title 10, section 1732.2.

12 (d) has failed to cure the trust account shortage despite numerous demands by the
13 Commissioner that Respondent cure the trust account shortage.

14 WHEREAS, on or about April 20, 2010, the Commissioner learned that Comerica Bank had
15 determined to sever its relationship with Respondent and on or about April 16, 2010 issued cashier's
16 check number 200003744 in the amount of \$248,369.12 to Respondent and had the cashier's check
17 delivered to Respondent on April 16, 2010 via messenger.

18 WHEREAS, the cashier's check had not been presented to Comerica Bank for payment as of
19 April 20, 2010, at or about 11:00 a.m.

20 NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the
21 Commissioner, effective this date, hereby demands and takes possession of the property and
22 business of Apple Escrow, including, but not limited to cashier's check number 200003744 issued
23 by Comerica Bank from the Apple Escrow trust account dated April 16, 2010 in the amount of
24 \$248,369.12 payable to Apple Escrow, and will retain possession thereof until the Commissioner
25 appoints a conservator, or until its affairs are finally liquidated as provided for in Division 6, Chapter
26 6 of the Financial Code, or it resumes business with the consent and upon such conditions as the
27 Commissioner may prescribe.
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This Demand For and Order Taking Possession is effective as of the date hereof.

Dated: April 20, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner