

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 MICHELLE LIPTON (CA BAR NO. 178078)  
Senior Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Suite 750  
5 Los Angeles, CA 90013  
Telephone: (213) 576-7591 Fax: (213) 576-7181  
6 Attorneys for the Complainant  
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8  
9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of )  
12 THE CALIFORNIA CORPORATIONS )  
13 COMMISSIONER, )

File No.: 963-1694

ORDER REVOKING ESCROW LICENSE

14 Complainant, )  
15 )  
16 )

17 v. )  
18 )

19 BILLIE DAVIS ESCROW, )  
20 )  
21 )

Respondent. )  
22 )

23 The California Corporations Commissioner finds:

24 1. BILLIE DAVIS ESCROW, a California corporation ("Billie Davis") is an escrow  
25 agent licensed by the California Corporations Commissioner ("Commissioner") pursuant to the  
26 Escrow Law of the State of California (California Financial Code section 17000 et seq.), and at all  
27 relevant times had its main office located at 9301 Wilshire Blvd., Ste. 312, Beverly Hills, California.  
28

1           2.       Billie Davis submitted its escrow license for surrender to the Commissioner in writing  
2 on January 19, 2010.

3           3.       California Financial Code (“FC”) section 17600 provides in relevant part:

4                   (a) An escrow agent’s license remains in effect until surrendered, revoked, or  
5                   suspended.

6                   (b) A licensee that ceases to engage in the business regulated by this division  
7                   and desires to no longer be licensed **shall notify the commissioner in**  
8                   **writing...Within 105 days of the written notice to the commissioner,**  
9                   **the licensee shall submit to the commissioner, at its own expense, a**  
10                   **closing audit report as of the date the license is tendered to the**  
11                   **commissioner for surrender...**to be performed by an independent  
12                   certified public accountant....A license is not surrendered until the  
13                   commissioner has reviewed and accepted the closing audit report, a  
14                   determination has been made by the commissioner that acceptance of the  
15                   surrender is in the public interest, and tender of the license is accepted in  
16                   writing by the commissioner. (emphasis added)

17           4.       Pursuant to FC section 17600 (b), Billie Davis’ closing audit was due on May 4, 2010.  
18 Billie Davis has not provided the closing audit to the Commissioner to date. Therefore, Billie Davis  
19 is in violation of FC section 17600.

20           5.       FC section 17602.5 provides:

21                   If any licensed escrow agent fails to make any reports required by law or by  
22                   the commissioner within ten (10) days from the day designated for the making  
23                   of the reports, or within any extension of time granted by the commissioner, or  
24                   fails to include therein any matter required by law or by the commissioner,  
25                   such failure shall constitute grounds for the suspension or revocation of the  
26                   license held by such escrow agent.

27           6.       Billie Davis did not provide its closing audit report as required by FC section 17602.5  
28 within ten days from the 105 days designated for the making of the closing audit report. Therefore,  
pursuant to FC section 17602.5, Billie Davis’ escrow license should be revoked.

          7.       FC section 17608 provides in relevant part:

                  The commissioner may, after notice and a reasonable opportunity to be heard, suspend  
or revoke any license if he finds that:

(a) **The licensee has failed to maintain in effect a bond required under the  
provisions of this division.** (emphasis added)

1           8.     Billie Davis does not currently have a bond in place as required under FC section  
2 17202 and therefore pursuant to FC section 17608 Billie Davis' escrow license should be revoked.

3           9.     On December 14, 2010, the Commissioner issued a Notice of Intention to Issue  
4 Order Revoking Escrow License, Accusation and accompanying documents against Billie Davis  
5 based upon the above. Billie Davis was served with those documents on December 21, 2010, by  
6 certified mail delivery at its location on file with the California Department of Corporations. Billie  
7 Davis has not filed a Notice of Defense or otherwise requested a hearing.

8           10.    The above stated violations constitute grounds under Financial Code sections 17602.5  
9 and 17608 to revoke an escrow agent's license.

10           NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow  
11 agent's license issued by the Commissioner to Billie Davis is hereby revoked. This Order is effective  
12 as of the date hereof.

13  
14 Dated: January 12, 2011  
15 Los Angeles, California

16                                   PRESTON DuFAUCHARD  
17                                   California Corporations Commissioner

18                                   By \_\_\_\_\_  
19                                   ALAN S. WEINGER  
20                                   Deputy Commissioner  
21                                   Enforcement Division

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11 In the Matter of the )  
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13 COMMISSIONER, )

14 Complainant, )  
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17 v. )  
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19 BILLIE DAVIS ESCROW, )  
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22 Respondent. )  
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Case No.: 963-1694

ORDER TO DISCONTINUE VIOLATIONS  
PURSUANT TO CALIFORNIA FINANCIAL  
CODE SECTION 17602

TO: BILLIE DAVIS ESCROW  
C/o Billie Davis, President  
9301 Wilshire Blvd., Ste. 312  
Beverly Hills, CA 90210

1 The Complainant is informed and believes and based upon such information and belief,  
2 alleges and charges as follows:

3 1. BILLIE DAVIS ESCROW, a California corporation ("Billie Davis" or "Respondent")  
4 is an escrow agent holding a valid and unrevoked license issued by the Commissioner of  
5 Corporations of the State of California ("Commissioner"), pursuant to the Escrow Law of the State of  
6 California (§ 17000 et seq. of the California Financial Code) and has its main office located at 9301  
7 Wilshire Blvd., Ste. 312, Beverly Hills, California.

8 2. Billie Davis made representations regarding guarantee of trust obligations in their  
9 advertisements that were false and misleading and failed to maintain the required fidelity bond for  
10 engaging in receiving escrows for deposit or delivery of types of transactions not covered by Escrow  
11 Agents' Fidelity Corporation, including personal property escrows for surrogate parenting in  
12 violation of California Financial Code § 17346(a) and California Code of Regulations, Title 10, §  
13 1723, respectively.

14 3. California Financial Code section 17346(a) provides in relevant part:

15 Fidelity Corporation and its members shall not advertise, print, display,  
16 publish, distribute, or broadcast, or cause or permit to be advertised, printed,  
17 displayed, published, distributed, or broadcast, in any manner any statement or  
18 representation with regard to a guarantee of trust obligations in their  
19 advertisements that is false or misleading or calculated to deceive or misinform  
20 the public. Any statement or representation with regard to a guarantee of trust  
21 obligations... shall be reviewed and approved by the commissioner prior to its  
22 use.

23 4. California Code of Regulations, title 10, section 1723 provides:

24 (a)...Licensees...that will engage in or are engaged in the business of  
25 receiving escrows for deposit or delivery of the types of transactions not  
26 specified in subdivision (c) of Section 17312 of the Financial Code shall do the  
27 following:

28 (1) File with the Department a fidelity bond, providing fidelity coverage on  
each officer, director, trustee, and employee of not less than \$125,000, for  
the purpose of indemnifying the escrow agent, or the escrow agent's  
successor in interest, for loss of trust obligations held by the escrow agent  
as a result of the fraudulent or dishonest abstraction, misappropriation, or  
embezzlement of trust obligations by an officer, director, trustee, or  
employee of the escrow agent. The fidelity bond may be either a primary

1 commercial blanket bond or a blanket position bond, but shall be written by  
2 an insurer who has been licensed by the Department of Insurance of the  
3 State of California.

4 5. California Financial Code section 17312(c) provides in relevant part:

5 (c) The required membership in Fidelity Corporation shall be limited  
6 to those licensees whose escrow business location is located within  
7 the State of California and who engage, in whole or in part, in the  
8 business of receiving escrows for deposit or delivery in the  
9 following types of transactions:

- 10 (1) Real property escrows, including, but not limited to, the sale,  
11 encumbrance, lease, exchange, or transfer of title, and loans or  
12 other obligations to be secured by a lien upon real property.
- 13 (2) Bulk sale escrows, including, but not limited to, the sale or transfer  
14 of title to a business entity and the transfer of liquor licenses or  
15 other types of business licenses or permits.
- 16 (3) Fund or joint control escrows, including, but not limited to,  
17 transactions specified in Section 17005.1, and contracts specified in  
18 Section 10263 of the Public Contract Code.
- 19 (4) The sale, transfer of title, or refinance escrows for manufactured  
20 homes or mobilehomes.
- 21 (5) Reservation deposits required under Article 2 (commencing with  
22 Section 11010) of Chapter 1 of Part 2 of Division 4 of the Business  
23 and Professions Code or by regulation of the Department of Real  
24 Estate to be held in an escrow account.
- 25 (6) Escrows for sale, transfer, modification, assignment, or  
26 hypothecation of promissory notes secured by deeds of trust.

27 6. By reason of the foregoing, Billie Davis has violated California Financial Code §  
28 17346(a) and California Code of Regulations, title 10, section 1723.

7. Financial Code section 17602 provides:

If it appears to the commissioner that any licensed escrow agent has violated its articles of incorporation, or any law or rule binding upon it, the commissioner shall, by written order addressed to the agent direct the discontinuance of such violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 17604.

8. Financial Code section 17604 provides:

No order issued pursuant to Section 17602 or 17603 may become final except after notice to any licensed escrow agent affected thereby of the intention of the commissioner to make such order final and of the reasons therefore and that upon

receipt of a request the matter will be set down for hearing to commence within 15 business days after such receipt unless the licensed agent affected consents to a later date. If no hearing is requested within 30 days after the mailing of such notice and none is ordered by the commissioner, the order may become final without hearing and the licensed escrow agent shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act , Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted thereunder. If upon the hearing, it appears to the commissioner that the licensed agent is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law binding upon it, the commissioner shall make the order of discontinuance final and the licensed escrow agent shall immediately discontinue the practices named in the order.

WHEREFORE, good cause showing, the California Corporations Commissioner is issuing an Order to Discontinue Violations and notifying Billie Davis of his intention to make the order final.

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of California Financial Code sections 17602 and 17604 that BILLIE DAVIS ESCROW immediately discontinue the violations set forth above.

Dated: September 24, 2009  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner, Enforcement Division

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27 ("Commissioner"), pursuant to the Escrow Law of the State of California (§ 17000 et seq. of the  
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1 California Financial Code) and at all relevant times had its main office located at 9301 Wilshire  
2 Blvd., Ste. 312, Beverly Hills, California.

3 2. Billie Davis submitted its escrow license for surrender to the Commissioner in writing  
4 on January 19, 2010.

5 3. California Financial Code (“FC”) section 17600 provides in relevant part:

6 (a) An escrow agent’s license remains in effect until surrendered, revoked, or  
7 suspended.

8 (b) A licensee that ceases to engage in the business regulated by this division  
9 and desires to no longer be licensed **shall notify the commissioner in**  
10 **writing...Within 105 days of the written notice to the commissioner,**  
11 **the licensee shall submit to the commissioner, at its own expense, a**  
12 **closing audit report as of the date the license is tendered to the**  
13 **commissioner for surrender...**to be performed by an independent  
14 certified public accountant...A license is not surrendered until the  
15 commissioner has reviewed and accepted the closing audit report, a  
16 determination has been made by the commissioner that acceptance of the  
17 surrender is in the public interest, and tender of the license is accepted in  
18 writing by the commissioner. (emphasis added)

19 4. Pursuant to FC section 17600 (b), Billie Davis’ closing audit was due on May 4, 2010.  
20 Billie Davis has not provided the closing audit to the Commissioner to date. Therefore, Billie Davis  
21 is in violation of FC section 17600.

22 5. FC section 17602.5 provides:

23 If any licensed escrow agent fails to make any reports required by law or by  
24 the commissioner within ten (10) days from the day designated for the making  
25 of the reports, or within any extension of time granted by the commissioner, or  
26 fails to include therein any matter required by law or by the commissioner,  
27 such failure shall constitute grounds for the suspension or revocation of the  
28 license held by such escrow agent.

29 6. Billie Davis did not provide its closing audit report as required by FC section 17602.5  
30 within ten days from the 105 days designated for the making of the closing audit report. Therefore,  
31 pursuant to FC section 17602.5, Billie Davis’ escrow license should be revoked.

32 7. FC section 17608 provides in relevant part:

33 The commissioner may, after notice and a reasonable opportunity to be heard, suspend  
34 or revoke any license if he finds that:

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(a) **The licensee has failed to maintain in effect a bond required under the provisions of this division.** (emphasis added)

8. Billie Davis does not currently have a bond in place as required under FC section 17202 and therefore pursuant to FC section 17608 Billie Davis' escrow license should be revoked.

Accordingly, it is in the best interest of the public that Billie Davis' escrow license should be revoked under FC sections 17602.5 and 17608.

Dated: December 14, 2010  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
MICHELLE LIPTON  
Sr. Corporations Counsel, Enforcement Division