

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (BAR NO. 250107)
Corporations Counsel
4 1350 Front Street, Room 2034
San Diego, California 92101
5 Telephone: (619) 645-3166
6 Attorneys for Complainant

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

10 THE CALIFORNIA CORPORATIONS) File No.: 963-2489
11 COMMISSIONER,)
12 Complainant,)
13) **SETTLEMENT AGREEMENT**
14 v.)
15 CORNER ESCROW, INC.,)
16 Respondent.)
17)
18)
19)

20 This Settlement Agreement (“Agreement”) is entered into by and between the California
21 Corporations Commissioner (“Commissioner”) and Respondent, Corner Escrow, Inc. (“Respondent”)
22 and is made with respect to the following facts:

23 **RECITALS**

- 24 A. Respondent currently holds an escrow agent’s license number 963-2489 pursuant to
25 the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).
26 B. Respondent has its licensed place of business at 161 Fashion Lane, Suite 101, Tustin,
27 CA 92780.

1 C. Kimberly M. Diaz, the sole shareholder and president of Respondent, is authorized to
2 enter into this Agreement on behalf of Respondent.

3 D. The Commissioner discovered that Respondent had been operating an unlicensed
4 branch office in Encinitas, California without first obtaining the approval of the Commissioner.
5 Respondent had been processing escrows from the unlicensed location for over a year, in violation of
6 California Financial Code sections 17213.1 and 17213.2.

7 E. It is the intention and desire of the Parties to resolve these matters without the
8 necessity of a hearing and or other litigation.

9 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
10 forth herein, the Parties agree as follows:

11 **TERMS AND CONDITIONS**

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13 1. **Purpose.** The purpose of this Agreement is to expeditiously resolve the Order Imposing
14 Penalties and Order to Discontinue Violations (“ORDER”), and to avoid the expense of a hearing,
15 and possible further court proceedings.

16 2. **Admissions.** Respondent hereby admits the facts contained in the Recital and ORDER
17 solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated
18 by or brought before the Commissioner against Respondent. It is the intent and understanding
19 between the Parties that this Agreement and particularly the admissions of Respondent herein, shall
20 not be binding or admissible against Respondent in any action by third parties.

21 3. **Issuance of the Order.** Respondent hereby agrees to the issuance of the ORDER. A copy
22 of the ORDER is attached as Exhibit A.

23 4. **Administrative Penalty.** Respondent has paid to the Commissioner a sum of \$5,200.00,
24 pursuant to California Financial Code section 17213.2.

25 5. **Waiver of Hearing Rights.** Respondent hereby acknowledges its right to an
26 administrative hearing in connection with the ORDER and hereby waives its right to a hearing, and to
27 any reconsideration, appeal, or other right to review which may be afforded pursuant to the Escrow
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1 Law, the California Administrative Procedure Act (“APA”), the California Code of Civil Procedure,
2 or any other provision of law, and by waiving such rights, consents to this Agreement becoming final.

3 **6. Failure to Comply with the Order to Discontinue Violations.** Respondent hereby
4 acknowledges and agrees that its failure to comply with the terms of this Agreement and the ORDER
5 will be a breach of this Agreement and shall result in an automatic revocation of its escrow agent’s
6 license (License Number 963-2489). Respondent waives any notice and hearing rights to contest
7 such revocation.

8 **7. Settlement Agreement Coverage.** The Parties hereby acknowledge and agree that this
9 Agreement is intended to constitute a full, final and complete resolution of the ORDER only. The
10 Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit
11 the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or
12 criminal, brought by any such agency against Respondent based upon any of the activities alleged in
13 this matter or otherwise.

14 **8. Independent Legal Advice.** Each of the Parties represents, warrants, and agrees that it
15 has received or been advised to seek independent legal advice from his or her attorneys with respect
16 to the advisability of executing this Agreement.

17 **9. Reliance.** Each of the Parties represents, warrants, and agrees that in executing this
18 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and
19 has placed no reliance on any statement, representation, or promise of any other party, or any other
20 person or entity not expressly set forth herein, or upon the failure of any party or any other person or
21 entity to make any statement, representation or disclosure of anything whatsoever. The Parties have
22 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to
23 execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret,
24 supplement, or contradict the terms of this Agreement.

25 **10. Full Integration.** This Agreement, including the attached ORDER, is the final written
26 expression and the complete and exclusive statement of all the agreements, conditions, promises,
27 representations, and covenants between the Parties with respect to the subject matter hereof, and
28 supersedes all prior or contemporaneous agreements, negotiations, representations, understandings,

1 and discussions between and among the Parties, their respective representatives, and any other person
2 or entity with respect to the subject matters covered hereby.

3 **11. No Presumption From Drafting.** In that the Parties have had the opportunity to draft,
4 review and edit the language of this Agreement, no presumption for or against any party arising out
5 of drafting all or any part of this Agreement will be applied in any action relating to, connected, to, or
6 involving this Agreement. Accordingly, the Parties waive the benefit of California Civil Code
7 section 1654 and any successor or amended statute, providing that in cases of uncertainty, language
8 of a contract should be interpreted most strongly against the party who caused the uncertainty to
9 exist.

10 **12. Effective Date.** This Agreement shall not become effective until signed by all Parties and
11 delivered by all Parties.

12 **13. Counterparts.** This Agreement may be executed in one or more counterparts, each of
13 which shall be an original but all of which, together, shall be deemed to constitute a single document.

14 **14. Modifications and Qualified Integration.** No amendment, change or modification of
15 this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the
16 Parties affected by it.

17 **15. Headings and Governing Law.** The headings to the paragraphs of this Agreement are
18 inserted for convenience only and will not be deemed a part hereof or affect the construction or
19 interpretation of the provisions hereof.

20 **16. Authority For Settlement.** Each signator hereto warrants and represents that he or she
21 possesses all necessary capacity and the authority to sign and execute this Agreement.

22 **17. Notices.** Any notices required under this Agreement shall be provided to each party at the
23 following addresses:

24 If to Respondent to:	Kimberly M. Diaz, President 161 Fashion Lane, Suite 101, Tustin, CA 92780
26 If to the Commissioner to:	Afsaneh Eghbaldari, Esq., Corporations Counsel California Department of Corporations 1350 Front St, Room 2034. San Diego, CA 92101

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18. **Voluntary Agreement.** The Parties each represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

PRESTON DuFAUCHARD
California Corporations Commissioner

Dated: June 21, 2011

By _____
Alan S. Weinger
Deputy Commissioner

CORNER ESCROW, INC.

Dated: June 17, 2011

By _____
Kimberly M. Diaz, sole Shareholder and President, on behalf
of Corner Escrow, Inc.

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (BAR NO. 250107)
Corporations Counsel
4 1350 Front Street, Room 2034
San Diego, California 92101
5 Telephone: (619) 645-3166
6 Attorneys for Complainant

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

10 THE CALIFORNIA CORPORATIONS)
11 COMMISSIONER,)

File No.: 963-2489

12 Complainant,)

13 v.)

14 CORNER ESCROW, INC.,)

15 Respondent.)
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17)
18)
19)

**ORDER IMPOSING PENALTIES
PURSUANT TO CALIFORNIA FINANCIAL
CODE SECTION 17213.2 AND ORDER TO
DISCONTINUE VIOLATIONS PURSUANT
TO CALIFORNIA FINANCIAL CODE
SECTION 17602**

20 TO: CORNER ESCROW, INC.
21 161 FASHION LANE, SUITE 101
22 TUSTIN, CA 92780

23 The California Corporations Commissioner ("Commissioner") finds that:

- 24 1. Respondent, CORNER ESCROW, INC. ("CORNER ESCROW") is an escrow agent
25 licensed by the Commissioner pursuant to the Escrow Law of the State of California (California
26 Financial Code Section 17000 et seq.).
27 2. CORNER ESCROW has its licensed place of business at 161 Fashion Lane, Suite
28 101, Tustin, CA 92780.

1 3. The Commissioner discovered that CORNER ESCROW had been operating an
2 unlicensed branch office in Encinitas, California without first obtaining the approval of the
3 Commissioner. CORNER ESCROW had been processing escrows from the unlicensed location for
4 over a year, in violation of California Financial Code sections 17213.1 and 17213.2.

5 4. Pursuant to California Financial Code section 17213.2, the commissioner may order a
6 licensed escrow agent which opens a branch office without first obtaining the approval of the
7 Commissioner to forfeit to the people of the state a sum of up to one hundred dollars (\$100) for every
8 day for the first 10 days and ten dollars (\$10) for every day thereafter during which the changed
9 location is maintained without authority.

10 Pursuant to the Settlement Agreement between Corner Escrow, Inc. and the California
11 Corporations Commissioner, it is hereby ordered that Corner Escrow, Inc. pay to the Commissioner a
12 sum of \$5,200.00 in penalties pursuant to California Financial Code section 17213.2.

13 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is
14 hereby ordered under the provisions of California Financial Code section 17602 that Corner Escrow,
15 Inc. immediately discontinue the violations set forth above.

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Dated: June 21, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Deputy Commissioner

1 MARY ANN SMITH (CA BAR NO. 230943)
Deputy Commissioner
2 SOPHIA C. KIM (CA BAR NO. 265649)
Corporations Counsel
3 Department of Corporations
320 West 4th Street, Suite 750
4 Los Angeles, California 90013
Telephone: (213) 576-7594
5 Facsimile: (213) 576-7181

6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of) File No.: 963-2489
THE CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) SETTLEMENT AGREEMENT
13)
Complainant,)
14)
15 vs.)
16 CORNER ESCROW, INC.,)
17 Respondent.)
18)
19)

20 This Settlement Agreement is entered into by and between the California Corporations
21 Commissioner (“Commissioner”), on the one hand, and Respondent, Corner Escrow, Inc.
22 (“Respondent”), on the other hand, and is made with respect to the following facts:

23 **RECITALS**

24 A. Respondent, a California corporation, currently holds an escrow agent’s license
25 number 963-2489 with a main office at 161 Fashion Lane, Suite 101, Tustin, California 92780, and a
26 licensed branch office location at 169 Saxony Road, Suite 204, Encinitas, California 92024.
27 Respondent has been licensed by the Commissioner pursuant to the California Escrow Law
28 (California Financial Code section 17000 et seq.) since March 11, 2008.

1 B. Kimberly M. Diaz (“Diaz”) is the president and sole shareholder of Respondent and is
2 authorized to enter into this Settlement Agreement on behalf of Respondent.

3 C. On or around April 12, 2012, Respondent filed with the Department of Corporations
4 (“Department”) several applications for escrow agent’s branch licenses (“Applications”).

5 D. In connection with its Applications, Respondent submitted its December 31, 2011
6 unaudited financial statement (“12/2011 financial statement”) and its May 31, 2012 unaudited
7 financial statement (“5/2012 financial statement”) which contained inaccuracies in the profit and loss
8 and balance sheets.

9 E. In or around June 2012 Respondent submitted to the Department its audited financial
10 statements, which disclosed that (i) on December 16, 2011, a transfer of \$8,000 was made from
11 Respondent’s trust account to Diaz’s personal checking account, and (ii) on January 11, 2012, a
12 transfer of \$25,000 was made from Respondent’s trust account to Diaz’s personal checking account,
13 causing trust account shortages in violation of California Code of Regulations, title 10, section
14 1738.1.

15 F. Respondent failed to discover the transfers of \$8,000 and \$25,000 until on or around
16 March 30, 2012, because for the months of December 2011 and January 2012, Respondent failed to
17 properly reconcile at least once each month the bank accounts contained in the general ledger with
18 the bank statements of the general accounts, in violation of California Code of Regulations, title 10,
19 section 1732.3.

20 G. On or around July 3, 2012, the Department commenced a regulatory examination of
21 Respondent, which revealed that during the time period of July 2011 through January 2012 and May
22 2012, Respondent failed to meet the requirement of California Financial Code section 17210,
23 subdivision (a) to maintain at all times liquid assets of at least \$25,000 in excess of current liabilities.

24 H. On or around July 13, 2012, Respondent’s representative explained to the Department
25 in writing, supported by a letter from the bank, that the transfers of \$8,000 and \$25,000 “occurred at
26 the bank level,” and that the funds were appropriately returned to Respondent’s trust account on
27 March 30, 2012, when discovered, thereby correcting the aforementioned trust account shortage
28 made in violation of California Code of Regulations, title 10, section 1738.1.

1 I. On or around July 31, 2012, Respondent submitted an unaudited financial statement
2 that accurately stated the general account balance, thereby correcting the aforementioned
3 misstatements of material facts made on Respondent’s 12/2011 and 5/2012 financial statements.
4 Respondent also submitted bank reconciliations for its general account indicating that as of July 31,
5 2012, it had liquid assets of at least \$25,000 in excess of current liabilities, thereby correcting the
6 aforementioned deficiencies in liquid assets for the periods of July 2011 through January 2012 and
7 May 2012.

8 J. It is the intention and desire of the parties to resolve these matters without the
9 necessity of a hearing and/or other litigation.

10 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
11 forth herein, the parties agree as follows:

12 **TERMS AND CONDITIONS**

13 1. This Settlement Agreement is entered into for the purpose of judicial economy and
14 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

15 2. Respondent hereby admits the facts contained in the Recitals and Order To
16 Discontinue Violations Pursuant to California Financial Code Section 17602 (“Order”), a copy of
17 which is attached hereto as Exhibit A and incorporated by reference. The admissions of Respondent
18 are solely for the limited purposes of these proceedings and any future proceeding(s) that may be
19 initiated by or brought before the Commissioner against Respondent with respect to the issues raised
20 therein. It is the intent and understanding between the parties that this Settlement Agreement, and
21 particularly the admissions of Respondent herein, shall not be binding or admissible against
22 Respondent in any action(s) brought against Respondent by third parties.

23 3. Respondent hereby agrees to the issuance of the Order.

24 4. Respondent hereby agrees that upon execution of this Settlement Agreement it will
25 withdraw all outstanding branch office applications except for its application for 27450 Ynez Road,
26 Suite 125, Temecula, California 92591 (“Temecula branch”). Respondent agrees not to apply for
27 any further escrow agent’s branch licenses except for the Temecula branch until after July 1, 2013.
28 The Commissioner agrees to expeditiously grant the Temecula branch license application provided

1 that no further actions are commenced under the Escrow Law against Respondent during the
2 continued pendency of the Temecula branch license application.

3 5. Respondent hereby acknowledges its right to an administrative hearing in connection
4 with the Order and hereby waives its right to a hearing, and to any reconsideration, appeal, or other
5 right to review which may be afforded pursuant to the Escrow Law, the California Administrative
6 Procedure Act (“APA”), the California Code of Civil Procedure, or any other provision of law, and
7 by waiving such rights, consents to the Order becoming final.

8 6. Respondent hereby agrees that the Order, which orders Respondent to discontinue its
9 violations of California Financial Code section 17210 and California Code of Regulations, title 10,
10 sections 1732.3 and 1738.1, is final. Respondent agrees that failure to comply with these provisions
11 of the Escrow Law will constitute a violation of the Order and a breach of this Settlement
12 Agreement, resulting in the automatic denial of the Temecula branch license application if it is still
13 pending. Respondent further acknowledges that failure to comply with these provisions of the
14 Escrow Law may result in additional action by the Commissioner under the Escrow Law.

15 7. The parties hereby acknowledge and agree that this Settlement Agreement is intended
16 to constitute a full, final, and complete resolution of this matter, including the Applications. The
17 parties further acknowledge and agree that nothing contained in this Settlement Agreement shall
18 operate to limit the Commissioner’s ability to assist any other agencies (county, state, or federal)
19 with any prosecution (administrative, civil, or criminal) brought by any such agency against
20 Respondent based upon any of the activities alleged in this matter or otherwise.

21 8. Each of the parties represents, warrants, and agrees that it has received independent
22 advice from its attorney(s) and/or representatives with respect to the advisability of executing this
23 Settlement Agreement.

24 9. Each of the parties represents, warrants, and agrees that in executing this Settlement
25 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel
26 and/or representative. Each of the parties further represents, warrants, and agrees that in executing
27 this Settlement Agreement it has placed no reliance on any statement, representation, or promise of
28 any other party, or any other person or entity not expressly set forth herein, or upon the failure of any

1 party or any other person or entity to make any statement, representation, or disclosure of anything
2 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
3 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the
4 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
5 Settlement Agreement.

6 10. This Settlement Agreement, including the attached Order, is the final written
7 expression and the complete and exclusive statement of all the agreements, conditions, promises,
8 representations, and covenants between the parties with respect to the subject matter hereof, and
9 supersedes all prior or contemporaneous agreements, negotiations, representations, understandings,
10 and discussions between and among the parties, their respective representatives, and any other
11 person or entity, with respect to the subject matters covered hereby.

12 11. In that the parties have had the opportunity to draft, review, and edit the language of
13 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any
14 part of this Settlement Agreement will be applied in any action relating to, connected to, or involving
15 this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil Code
16 section 1654 and any successor or amended statute, providing that in cases of uncertainty, language
17 of a contract should be interpreted most strongly against the party who caused the uncertainty to
18 exist.

19 12. This Settlement Agreement may be executed in one or more counterparts, each of
20 which shall be an original but all of which, together, shall be deemed to constitute a single
21 document.

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13. Each signator hereto covenants that she possesses all necessary capacity and the authority to sign and execute this Settlement Agreement.

JAN LYNN OWEN
California Corporations Commissioner

Dated: 11/13/12

By _____
Mary Ann Smith
Deputy Commissioner

CORNER ESCROW, INC.

Dated: 11/12/12

By _____
Kimberly M. Diaz, sole Shareholder and President,
on behalf of Corner Escrow, Inc.

1 MARY ANN SMITH (CA BAR NO. 230943)
Deputy Commissioner
2 SOPHIA C. KIM (CA BAR NO. 265649)
Corporations Counsel
3 Department of Corporations
320 West 4th Street, Suite 750
4 Los Angeles, California 90013
Telephone: (213) 576-7594
5 Facsimile: (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 Accusation of) File No.: 963-2489
12 THE CALIFORNIA CORPORATIONS)
COMMISSIONER,)
13 Complainant,) ORDER TO DISCONTINUE VIOLATIONS
14) PURSUANT TO CALIFORNIA FINANCIAL
15 vs.) CODE SECTION 17602
16 CORNER ESCROW, INC.,)
17 Respondent.)
18)
19)

20 TO: CORNER ESCROW, INC.
21 161 Fashion Lane, Suite 101
22 Tustin, California 92780

23 The California Corporations Commissioner (“Commissioner”) finds that:

- 24 1. Respondent, Corner Escrow, Inc. (“Corner Escrow”), a California corporation
25 incorporated on March 8, 2005, currently holds an escrow agent’s license number 963-2489 pursuant
26 to the Escrow Law of the State of California (California Financial Code section 17000 et seq.).
27 Corner Escrow has been licensed by the Commissioner since March 11, 2008. Its principal office
28 location is 161 Fashion Lane, Suite 101, Tustin, California 92780.

1 2. Corner Escrow maintains a licensed branch office location at 169 Saxony Road, Suite
2 204, Encinitas, California 92024. This branch location has been licensed by the Commissioner since
3 July 1, 2011.

4 3. At all times relevant herein, Kimberly M. Diaz (“Diaz”), is the president and sole
5 shareholder of Corner Escrow.

6 4. On or around April 12, 2012, Corner Escrow filed with the Department of
7 Corporations (“Department”) multiple applications for escrow agent’s branch licenses
8 (“Applications”) including without limitation one for 27270 Madison Avenue, Temecula, CA
9 92590¹.

10 5. In connection with its Applications, Corner Escrow submitted its December 31, 2011
11 unaudited financial statement (“12/2011 financial statement”). The 12/2011 financial statement
12 included a balance sheet showing a general account balance of \$110,574.31. However, the bank
13 account statement showed a general account balance of only \$23,055.14.

14 6. On or around June 6, 2012, the Department requested an updated unaudited financial
15 statement. In response to the Department’s request, Corner Escrow provided its May 31, 2012
16 unaudited financial statement (“5/2012 financial statement”). However, the 5/2012 financial
17 statement included a balance sheet showing a general account balance of \$131,985.58, whereas the
18 bank account statement showed a general account balance of only \$11,834.77.

19 7. In or around June 2012, Corner Escrow’s audited financial statements were received
20 by the Department. They disclosed that (i) on December 16, 2011, a transfer of \$8,000 was made
21 from the Encinitas branch’s trust account to a personal checking account, and (ii) on January 11,
22 2012, a transfer of \$25,000 was made from the Encinitas branch’s trust account to a personal
23 checking account. These transfers caused trust account shortages in violation of California Code of
24 Regulations, title 10, section 1738.1.

25 8. Corner Escrow did not discover that the \$8,000 and \$25,000 transfers were
26 mistakenly taken out of the trust account instead of the general account until on or around March 30,
27 2012. This is because for the months of December 2011 and January 2012, Corner Escrow failed to
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1 reconcile at least once each month the bank accounts contained in the general ledger with the bank
2 statements of the general accounts, in violation of California Code of Regulations, title 10, section
3 1732.3.

4 9. On or around July 3, 2012, the Department commenced a regulatory examination of
5 Corner Escrow. The examination revealed, among other things, that during the months of July 2011
6 through January 2012 and May 2012, Corner Escrow's general bank account dropped below \$25,000
7 in excess of current liabilities, in violation of California Financial Code section 17210, subdivision
8 (a).

9 10. On or around July 13, 2012, Respondent submitted to the Department a letter ("July
10 13, 2012 Letter") stating that the December 16, 2011 transfer of \$8,000 as well as the January 11,
11 2012 transfer of \$25,000 from the Encinitas branch's trust account to a personal checking account
12 "occurred at the bank level when a . . . [bank] representative mistakenly transferred from Corner
13 Escrow Trust account instead of the requested General Account."

14 11. Corner Escrow also forwarded a letter from the bank addressed to Diaz dated
15 September 11, 2012, that confirmed that, "due to a bank error, the funds were taken from the Corner
16 Escrow, Inc. . . . checking account and not the Corner Escrow, Inc. (General Account). This error
17 was discovered on March 30, 2012 and the transfers were corrected."

18 12. Corner Escrow's trust account bank statements confirmed that on March 30, 2012 the
19 two alleged erroneous transfers of \$8,000 and \$25,000 were appropriately returned to the trust
20 account from the personal checking account, thereby correcting the aforementioned trust account
21 shortages made in violation of California Code of Regulations, title 10, section 1738.1.

22 13. On or around July 31, 2012, Corner Escrow submitted an unaudited financial
23 statement that accurately stated the general account balance, thereby correcting the aforementioned
24 misstatements of material facts made on its 12/2011 and 5/2012 financial statements. Corner
25 Escrow also submitted bank reconciliations for its general account indicating that as of July 31, 2012
26 it had liquid assets of at least \$25,000 in excess of current liabilities, thereby correcting the
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¹ On or around June 6, 2012, this was changed to 27450 Ynez Road, Suite 125, Temecula, CA 92591.

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aforementioned deficiencies in liquid assets for the periods of July 2011 through January 2012 and May 2012.

14. Pursuant to California Financial Code section 17209.3, the Commissioner may refuse to issue any license being applied for if upon the Commissioner’s examination and investigation, and after appropriate hearing, the Commissioner finds that the proposed licensee’s financial program is unsound, or that a false statement of a material fact has been made in the application for license.

Pursuant to the Settlement Agreement between Corner Escrow, Inc. and the California Corporations Commissioner, Corner Escrow, Inc. will voluntarily withdraw its outstanding branch application license for all locations except for the Temecula office. The Commissioner agrees to expeditiously grant the Temecula branch license application provided that no further actions are commenced under the Escrow Law against Corner Escrow during the continued pendency of the Temecula branch license application.

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 Corner Escrow, Inc. immediately discontinue violating California Financial Code section 17210 and California Code of Regulations, title 10, sections 1732.3 and 1738.1.

Dated: November 13, 2002
Los Angeles, CA

California Corporations Commissioner

By _____
Mary Ann Smith
Deputy Commissioner