

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 DANIELLE A. STOUMBOS (State Bar No. 264784)  
Senior Counsel  
4 Department of Business Oversight  
320 West 4th Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7591  
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) ESCROW LICENSE NO. 963-2059  
12 )  
13 THE COMMISSIONER OF BUSINESS ) ORDER OF FORFEITURE UNDER  
OVERSIGHT, ) FINANCIAL CODE SECTION 17213.2  
14 )  
15 Complainant, )  
16 v. )  
17 CITADEL ESCROW INC )  
18 Respondent. )  
19 )  
20 )

21  
22 The Complainant, the Commissioner of the Department of Business Oversight  
23 (“Commissioner”), is informed and believes and based upon such information and belief, alleges and  
24 charges as follows:

25 1. Citadel Escrow Inc ("Citadel Escrow") is a California corporation and an escrow  
26 agent licensed by the Commissioner under the Escrow Law of the State of California (Fin. Code, §  
27 17000 et seq.) ("Escrow Law"). Citadel Escrow (formerly known as First Request Escrow, Inc.)  
28 received its escrow agent’s license on March 9, 2004.

1           2.       Citadel Escrow’s principal place of business is 2910 E. Inland Empire Boulevard,  
2 Suite 110, Ontario, California 91764. Citadel has two approved branch offices located at: (a) 17100  
3 Pioneer Blvd., Suite 312, Artesia, California 90701; and (b) 7910 Girard Ave., #8, La Jolla,  
4 California 92037.

5           3.       Peter Hom (“Hom”) purchased First Request Escrow in 2012, and began operating  
6 Citadel Escrow. Hom has been Citadel Escrow’s sole owner, sole director, and president since 2012.

7           4.       On May 28, 2014 Citadel Escrow filed an incomplete application with the  
8 Commissioner, requesting approval to operate a branch office in Woodland Hills, California. During  
9 the application process, Citadel changed the proposed branch office to Porter Ranch, California.

10          5.       On June 26, 2014, the Commissioner issued a deficiency letter, identifying seven (7)  
11 issues needing resolution before the application’s approval. Citadel Escrow failed to provide the  
12 Commissioner with documentation needed to finalize the application.

13          6.       On or around April 30, 2015, the Commissioner received an anonymous tip that  
14 Citadel was operating an unlicensed branch from 11145 Tampa Avenue, Suite 26A in Porter Ranch,  
15 California (the “Porter Ranch branch”). The consumer reportedly opened an escrow from that office  
16 on April 29, 2015.

17          7.       The Commissioner commenced a special examination of Citadel Escrow on May 4,  
18 2015 which revealed that Citadel Escrow employed five (5) persons<sup>1</sup> at the Porter Ranch branch  
19 from January 1, 2015 through May 4, 2015. These employees met with clients, opened escrow files,  
20 collected deposits, and filled-out paper work at the unlicensed branch location in violation of  
21 Financial Code section 17213.5. Citadel Escrow also conducted business under the name “Citadel  
22 Escrow Marketing Division” from this branch without the Commissioner’s approval in violation of  
23 Financial Code section 17213, subdivision (a). The escrows opened at the Porter Ranch branch were  
24 then processed in the Artesia branch office in violation of Financial Code section 17213.1.

25          8.       On May 11, 2015, Citadel Escrow agreed to discontinue business activities from the  
26 unlicensed Porter Ranch branch.

27 \_\_\_\_\_  
28 <sup>1</sup> Including a senior escrow officer, two escrow officers, and two assistants.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

9. Financial Code section 17213.2 provides:

The commissioner may order a licensed escrow agent which opens a branch office or changes its business location or locations without first obtaining the approval of the commissioner to forfeit to the people of the state a sum of up to one hundred dollars (\$100) for every day for the first 10 days and ten dollars (\$10) for every day thereafter during which the branch office or changed location is maintained without authority.

10. Based upon the foregoing, the Commissioner finds that Citadel Escrow, Inc. has violated Financial Code sections 17213.5 by operating an unlicensed branch.

WHEREFORE, good cause showing, it is hereby ORDERED pursuant to Financial Code section 17313.2, that Citadel Escrow Inc forfeit to the people of the state \$2,210.00, calculated as follows:

- (a) \$100.00 for every day for the first 10 days during which Citadel Escrow, Inc. operated an unlicensed branch for a total of \$1,000.00; and
- (b) \$10.00 for every day thereafter during which the Porter Ranch branch office was maintained for a total of \$1,210.00.

Dated: August 5, 2016  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Mary Ann Smith  
Deputy Commissioner  
Enforcement Division