1	PRESTON DuFAUCHARD		
2	California Corporations Commissioner ALAN S. WEINGER		
3	Deputy Commissioner BLAINE A. NOBLETT (BAR NO. 235612)		
4	Corporations Counsel DEPARTMENT OF CORPORATIONS		
5	320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 Telephone: (213) 576-1396 Fax: (213) 576-7181		
6 7	Attorneys for Complainant		
8			
9	BEFORE THE DEPARTMENT OF CORPORATIONS		
10	OF THE STATE OF CALIFORNIA		
11	In the Matter of THE CALIFORNIA)) File No.: 963-2596	
12))) DEMAND FOR AND ORDER TAKING	
13	Complainant,	 DEMARD FOR AND ORDER TARING POSSESSION OF THE TRUST FUNDS AND ESCROW RECORDS OF DIVERSITY ESCROW, INC. PURSUANT TO 	
14	V.) FINANCIAL CODE SECTION 17621	
15	DIVERSITY ESCROW, INC.,		
16	Respondent.)	
17)	
18	TO: DIVERSITY ESCROW, INC.		
19	17037 Chatsworth St., Suite 101 Granada Hills, California 91345		
20 21	CITY NATIONAL BANK 5601 East Slauson Avenue		
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23	City of Commerce, California 9004	40	
24	WHEREAS, Preston DuFauchard, the California Corporations Commissioner		
25	("Commissioner"), has found that Diversity Escrow, Inc. ("Respondent" or, alternatively,		
26	"Diversity"), an escrow agent subject to the California Escrow Law (Fin. Code, §§ 17000 et seq.)		
27	("Escrow Law"), is unable to remedy certain conditions set forth in the Notice and Summary of		
28	Findings Pursuant to section 17621 of the Financial Code issued by the Commissioner on July 18,		
		1	
-		OF THE TRUST FUNDS AND ESCROW RECORDS OF T TO FINANCIAL CODE SECTION 17621	

1 || 2011; and

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

(a) issued a post-dated check in the amount of \$300,000.00, without written authorization from the parties to the escrow and without having received the seller's funds, which resulted in a trust account shortage in violation of section 17414, subdivision (a)(1) of the Financial Code and California Code of Regulations, title 10, sections 1738, 1738.1 and 1738.2;

(b) failed to maintain its books and records in accordance with the Escrow Law by failing to prepare its daily banking and trust reconciliations in violation of Financial Code section 17404 and title 10, section 1732.2 of the California Code of Regulations. Diversity's last prepared daily banking report was on February 2, 2011 and the last prepared trust account banking reconciliation was in July 2010;

(c) failed to meet the liquidity and tangible net worth requirements under the Escrow
 Law, Financial Code section 17210, in that as of January 31, 2011, Diversity had a liquid asset
 deficiency in the amount of at least \$12,998.77 and a tangible net worth deficiency of at least
 \$19,354.71; and

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(d) abandoned its business.

DEMAND FOR AND ORDER TAKING POSSESSION OF THE TRUST FUNDS AND ESCROW RECORDS OF DIVERSITY ESCROW, INC. PURSUANT TO FINANCIAL CODE SECTION 17621

1	NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the	
2	Commissioner, effective this date, hereby demands and takes possession of the trust accounts of	
3	Diversity Escrow, Inc. and all bank and escrow records pertinent thereto and will retain possession	
4	thereof until the Commissioner appoints a conservator, or until its affairs are finally liquidated as	
5	provided for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent	
6	and upon such conditions as the Commissioner may prescribe.	
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8	DATED: July 19, 2011 Los Angeles, CA PRESTON DuFAUCHARD	
9	California Corporations Commissioner	
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11	By ALAN S. WEINGER	
12	Deputy Commissioner Enforcement Division	
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	DEMAND FOR AND ORDER TAKING POSSESSION OF THE TRUST FUNDS AND ESCROW RECORDS OF DIVERSITY ESCROW, INC. PURSUANT TO FINANCIAL CODE SECTION 17621	