

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of THE CALIFORNIA)
11 CORPORATIONS COMMISSIONER,)

File No.: 963-0873

12 Complainant,)

**DEMAND FOR AND ORDER TAKING
POSSESSION OF THE TRUST FUNDS AND
ESCROW RECORDS OF DEPENDABLE
ESCROW CO. PURSUANT TO FINANCIAL
CODE SECTION 17621**

13 v.)
14)

15 DEPENDABLE ESCROW CO.,)

16 Respondent.)
17)
18)

19 TO: DEPENDABLE ESCROW CO.
2001 W. Beverly Blvd.
20 Montebello, California 90640

21 CITY NATIONAL BANK
22 One Centerpointe Dr., Ste. 160
La Palma, California 90623

23 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
24 ("Commissioner"), has found that Dependable Escrow Co. ("Respondent" or, alternatively,
25 "Dependable"), an escrow agent subject to the Escrow Law (Fin. Code, §§ 17000, et seq.), is unable
26 to remedy certain conditions set forth in the Notice and Summary of Findings Pursuant to section
27 17621 of the Financial Code issued by the Commissioner on June 8, 2009; and
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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 has:

4 (a) refused to submit its books, papers and affairs to the Commissioner for inspection in
5 violation of Financial Code section 17405 and California Code of Regulations, title 10, section 1730.

6 (b) failed to maintain its books and records in accordance with the Escrow Law (Fin.
7 Code, §§ 17000, et seq.) by failing to reconcile its trust account since at least January 31, 2009, in
8 violation of title 10, section 1732.2 of the California Code of Regulations.

9 (c) caused a shortage in the trust account of at least \$45,341.43 in violation of California
10 Code of Regulations, title 10, section 1738.1.

11 (d) caused to be deposited or otherwise disbursed trust funds totaling at least \$12,052.75
12 into its general and/or payroll accounts or otherwise for the payment of business operating expenses
13 or other non-trust related expenses in violation of Financial Code section 17409 and 17414,
14 subdivision (a)(1), and California Code of Regulations, title 10, sections 1738 and 1738.2.

15 (e) since at least 2005, made unauthorized disbursements of trust account funds in violation of
16 Financial Code section 17414, subdivision (a)(1) and California Code of Regulations, title 10,
17 sections 1738 and 1738.2.

18 (f) falsified escrow records by creating false escrow instructions and/or altering escrow
19 instructions, in connection with the unauthorized disbursements described above, in violation of Financial
20 Code sections 17403.2 and 17414, subdivision (a)(2).

21 (g) failed to submit its annual audit report for its fiscal year ended December 31, 2008.
22 Dependable's annual audit report was due to the Commissioner on or before April 15, 2009. Despite
23 having sent Dependable a reminder letter, the Commissioner has not received Dependable's annual
24 audit report for its year ended December 31, 2008 in violation of Financial Code section 17406.

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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 Dependable Escrow Co. and all bank and escrow records pertinent thereto, which include any and all
4 computer equipment and/or storage media containing such records, and will retain possession thereof
5 until the Commissioner appoints a conservator, or until its affairs are finally liquidated as provided
6 for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent and upon
7 such conditions as the Commissioner may prescribe.

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9 DATED: June 8, 2009
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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12 By _____
13 ALAN S. WEINGER
14 Deputy Commissioner
15 Enforcement Division
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