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5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

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10 CALIFORNIA CORPORATIONS) File No.: 963-1930
COMMISSIONER,)
11)
12 Complainant,) **ACCUSATION**
13 vs.)
14 TRANG DANG,)
15 Respondent.)
16)
17)

18 The Complainant is informed and believes, and based upon such information and belief,
19 alleges and charges Respondent as follows:

20 I

21 Ultra Escrow, Inc. (“Ultra Escrow”) is an escrow agent licensed by the California
22 Corporations Commissioner (“Commissioner” or “Complainant”) pursuant to the Escrow Law
23 (Financial Code section 17000 et seq.) Its license was issued on May 2, 2003. Ultra Escrow’s
24 principal place of business is 14351 Myford Road, #H, Tustin, CA 92780. At all relevant times,
25 Jeff McIndoo (“McIndoo”) was the president and owner of Ultra Escrow.

26 Respondent Trang Dang (“Dang” or “Respondent”) was an employee and manager of Ultra
27 Escrow from March 1, 2006 through March 25, 2008.

28 II

1 On or about June 20, 2008, McIndoo notified the Commissioner by telephone and by letter
2 that Dang had disbursed escrow trust funds inappropriately from some escrows and disguised those
3 payments by misrepresenting the disbursement on the closing statements.

4 On July 2, 2008, the Commissioner commenced a regulatory examination of Ultra Escrow.
5 The regulatory examination revealed that Dang had made unauthorized disbursements in the total
6 amount of \$10,157.45. The unauthorized disbursements are described as follows:

7 1. Check number 21707 issued to John Nguyen and Trang Dang on January 24, 2008,
8 for \$1,000. No escrow instructions or cancellation instructions were drawn in connection with this
9 escrow file (escrow number 4426).

10 2. Check number 19658 issued to John Nguyen on July 11, 2007, for \$150. The check
11 register describes this fee as “Title Company,” but the title company had taken all of its fees prior
12 to disbursing funds to Ultra Escrow.

13 3. Check number 19043 issued to Trang Dang on June 1, 2007, for \$710. There are no
14 invoices in this escrow file (escrow number 5882) for Trang Dang.

15 4. Check number 19856 issued to John Nguyen on July 26, 2007, for \$75. The final
16 settlement statement shows courier fees of \$75 payable to LandAmerica Lawyers Title, but the title
17 company had taken all of its fees prior to disbursing funds to Ultra Escrow.

18 5. Check number 20409 issued to Miguel Gaitan on September 6, 2007, for \$50. The
19 check register describes the payment as “Title Company” and the final settlement statement shows
20 a special courier fee payable to the title company for \$50, but the title company had taken all of its
21 fees prior to disbursing funds to Ultra Escrow.

22 6. Check number 20060 issued to John Nguyen on August 7, 2007, for \$100. The
23 check register describes the payment as “Title Company” and the final settlement statement shows
24 a courier fee payable to Ticor Title Company for \$100, but the title company had taken all of its
25 fees prior to disbursing funds to Ultra Escrow.

26 7. Check number 21111 issued to Miguel Gaitan on November 19, 2007, for \$80. The
27 check register describes the fee as “Title Company” and the final settlement statement shows a \$80
28 courier fee payable to the title company, but the title company had taken all of its fees prior to

1 disbursing funds to Ultra Escrow.

2 8. Check number 20793 issued to June Younger on October 22, 2007, for \$200. The
3 check register describes the payment as “Title Company” and the final settlement state shows an
4 endorsement payable to the title company. However, the description on the check states “Owens
5 signing fee due.”

6 9. Check number 20632 issued to Maricarmen Fraga on October 3, 2007, for
7 \$1,711.86. The final settlement statement shows two payments to Fraga: a notary fee of \$50 and
8 creditor payment of \$1,661.86. However, there is no authorization from the borrowers or lender
9 for a creditor payment to be made to Fraga. There is no notary invoice.

10 10. Check number 21613 issued to Miguel Gaitan on October 2, 2007, for \$75. The
11 check register describes the payment as “Title Company” and the final settlement statement shows
12 a special messenger fee of \$75 payable to the title company, but the title company had taken all of
13 its fees prior to disbursing funds to Ultra Escrow.

14 11. Check number 21340 issued to Miguel Gaitan on December 17, 2007, for \$50. The
15 check register describes the payment as “Title Company” and the final settlement statement shows
16 a courier fee of \$50 payable to the title company, but the title company had taken all of its fees
17 prior to disbursing funds to Ultra Escrow.

18 12. Check number 21155 issued to Miguel Gaitan on November 27, 2007, for \$40. The
19 check register describes the payment as “Title Company” and the final settlement statement shows
20 a courier fee of \$40 payable to the title company, but the title company had taken all of its fees
21 prior to disbursing funds to Ultra Escrow.

22 13. Check number 21699 issued to Miguel Gaitan on January 22, 2008, for \$100. The
23 check register describes the payment as “Title Company” and the final settlement statement shows
24 a courier fee of \$100 payable to the title company, but the title company had taken all of its fees
25 prior to disbursing funds to Ultra Escrow.

26 14. Check number 22011 issued to Miguel Gaitan on March 6, 2008, for \$150. The
27 check register describes the payment as “Title Company” and the final settlement statement shows
28 an overnight/title wire fee of \$150 payable to the title company, but the title company had taken all

1 of its fees prior to disbursing funds to Ultra Escrow.

2 15. Check number 20836 issued to Miguel Gaitan on October 24, 2007, for \$100. The
3 check register describes the payment as “Title Company” and the final settlement statement shows
4 a courier fee of \$100 payable to the title company, but the title company had taken all of its fees
5 prior to disbursing funds to Ultra Escrow.

6 16. Check number 21117 issued to Miguel Gaitan on November 19, 2007, for \$75. The
7 check register describes the payment as “Title Company” and the final settlement statement shows
8 a courier fee of \$75 payable to the title company, but the title company had taken all of its fees
9 prior to disbursing funds to Ultra Escrow.

10 17. Check number 20850 issued to Miguel Gaitan on October 25, 2007, for \$150. The
11 final settlement statement shows \$150 for “Special Messenger to RSM.” There are two invoices
12 for Miguel Gaitan for \$75, but there is no escrow number, description, or date on the invoices.

13 18. Check number 21360 issued to Trang Dang on December 18, 2007, for \$350. The
14 final settlement statement shows a signing fee of \$150 was charged to the seller and \$200 was
15 charged to the buyer, both payable to Dang. One seller signed an estimated closing statement
16 disclosing a signing fee of \$150 to Trang Dang, but there are no seller documents with Dang’s
17 notary seal.

18 19. Check number 21363 issued to Miguel Gaitan on December 18, 2007, for \$75. The
19 check register describes the fee as “Title Company” and the final settlement statement shows a \$75
20 messenger fee payable to the title company, but the title company had taken all of its fees prior to
21 disbursing funds to Ultra Escrow.

22 20. Check number 21445 issued to Trang Dang on December 26, 2007, for \$100. The
23 only documentation for this fee is a blank piece of paper containing the following: “NOTARY FEE
24 - \$100 MADE PAYABLE TO: TRANG DANG.” There is no escrow number on the document
25 and it is not signed by the buyer or seller.

26 21. Check number 21582 issued to Miguel Gaitan on January 4, 2008, for \$75. The
27 invoice for Gaitan has the wrong escrow number on it and describes a different title company than
28 the one used for this escrow file. The final settlement statement shows a messenger fee of \$75

1 payable to the title company, but the title company had taken all of its fees prior to disbursing
2 funds to Ultra Escrow.

3 22. Check number 21581 issued to James Tsujioka on January 4, 2008, for \$200. The
4 check register describes the fee as “Title Company” and the final settlement statement shows an
5 endorsement payable to the title company of \$200, but the title company had taken all of its fees
6 prior to disbursing funds to Ultra Escrow.

7 23. Check number 21258 issued to Miguel Gaitan on December 7, 2007, for \$100. The
8 check register describes the fee as “Title Company” and the final settlement statement shows a
9 courier fee of \$100 payable to the title company, but the title company had taken all of its fees prior
10 to disbursing funds to Ultra Escrow. There is an invoice for Miguel Gaitan with the wrong escrow
11 number on it.

12 24. Check number 21439 issued to Miguel Gaitan on December 26, 2007, for \$200.
13 The check register describes the fee as “Title Company” and the final settlement statement shows a
14 messenger fee of \$200 payable to the title company, but the title company had taken all of its fees
15 prior to disbursing funds to Ultra Escrow.

16 25. Check number 21628 issued to Miguel Gaitan on January 10, 2008, for \$115.36.
17 The check register describes the fee as “Title Company” and the final settlement statement shows a
18 wire/express fee of \$115.36 payable to the title company, but the title company had taken all of its
19 fees prior to disbursing funds to Ultra Escrow.

20 26. Check number 21629 issued to Trang Dang on January 10, 2008, for \$200. The
21 check register describes the fee as “Title Company” and the final settlement statement shows a
22 messenger fee of \$200 to the title company, but the title company had taken all of its fees prior to
23 disbursing funds to Ultra Escrow.

24 27. Check number 21726 issued to John Nguyen on January 25, 2008, for \$100. The
25 file copy of this check shows the payee as only John Nguyen, but the legal copy of the check shows
26 that Trang Dang’s name has been typed below John Nguyen’s. The check register describes the
27 fee as “Title Company” and the final settlement statement shows a messenger fee of \$100 payable
28 to the title company, but the title company had taken all of its fees prior to disbursing funds to Ultra

1 Escrow.

2 28. Check number 21496 issued to Trang Dang on December 31, 2007, for \$275. The
3 check register describes the fee as “Title Company” and the final settlement statement shows
4 messenger fees of \$275 payable to the title company, but the title company had taken all of its fees
5 prior to disbursing funds to Ultra Escrow.

6 29. Check number 21454 issued to Trang Dang on December 26, 2007, for \$417.23 and
7 check number 21455 issued to Miguel Gaitan on December 26, 2007, for \$100. The check register
8 describes these two payments as a split. The file copy of the check to Dang shows the total payable
9 to Dang as \$517.23 for messenger fees and overnight delivery, with \$100 being split out (for
10 Miguel Gaitan). The final settlement statement shows messenger fees of \$475 and an overnight
11 delivery fee of \$42.23 to the title company, but the title company had taken all of its fees prior to
12 disbursing funds to Ultra Escrow. In addition, the file contains a piece of paper stating “short sale
13 doc prep fee” of \$417.23 payable to Dang, but the piece of paper does not contain an escrow
14 number or authorization from the buyer or seller.

15 30. Check number 21786 issued to Trang Dang on February 7, 2008, for \$115. The
16 check register describes the fee as “Title Company” and the final settlement statement shows an
17 endorsement fee of \$115 payable to the title company, but the title company had taken all of its
18 fees prior to disbursing funds to Ultra Escrow. In addition, there is an invoice for \$115 for “deliver
19 check to borrowers 2/7.” The invoice originally was for Miguel Gaitan, but Gaitan’s name is
20 crossed off and Dang’s name is written in. There is no escrow number on the invoice.

21 31. Check number 21781 issued to Miguel Gaitan on February 6, 2008, for \$75. The
22 check register describes the fee as “Title Company” and the final settlement statement shows a
23 messenger fee of \$75 payable to the title company, but the title company had taken all of its fees
24 prior to disbursing funds to Ultra Escrow.

25 32. Check number 21604 issued to John Nguyen on January 9, 2008, for \$1,000. The
26 file copy of the check shows it is payable to only John Nguyen for a \$200 messenger fee, \$150
27 endorsement fee, and \$650 lender/mortgage premium. However, after the check was issued, Trang
28 Dang’s name was added onto the front and back of the check. The check register describes the

1 \$1,000 payment as “Title Company” and the final closing statement shows \$650 for title insurance,
2 \$200 for messenger fees, and \$150 for endorsement fees payable to the title company. However,
3 the title company had taken all of its fees prior to disbursing funds to Ultra Escrow.

4 33. Check number 21848 issued to Trang Dang on February 18, 2008 for \$383. Dang
5 supplied an invoice for this amount indicating “Notary/Signing/Messenger Fee.” The only name
6 on the invoice is the buyer’s name and the invoice is not signed by the seller or buyer. On the final
7 settlement statement, only a \$150 signing fee is shown as payable to Trang Dang and charged to
8 the buyer. The final settlement statement shows \$233 as “Courier Fees to Orange Coast.”
9 However, the title company had taken all of its fees prior to disbursing funds to Ultra Escrow.
10 Therefore, \$233 of this check was an unauthorized disbursement.

11 34. Check number 21775 issued to Miguel Gaitan on February 6, 2008, for \$195. The
12 check register describes this fee as “Title Company” and the final settlement statement shows \$195
13 in messenger fees payable to the title company, but the title company had taken all of its fees prior
14 to disbursing funds to Ultra Escrow.

15 35. Check number 21790 issued to Trang Dang on February 8, 2008, for \$300. The
16 final closing statement lists signing fees of \$300 payable to “Doc Signers” and the buyers signed an
17 estimated statement authorizing a \$150 fee to “Doc Signers,” but no fees were paid to “Doc
18 Signers.” There is no invoice in the file for Trang Dang.

19 36. Check number 21961 issued to Trang Dang on February 29, 2008, for \$200. The
20 check register describes this fee as “Title Company” and the final settlement statement shows \$200
21 in messenger fees payable to the title company, but the title company had taken all of its fees prior
22 to disbursing funds to Ultra Escrow. The file contains an invoice for Trang Dang with the wrong
23 escrow number on it.

24 37. Check number 22033 issued to Trang Dang on March 12, 2008, for \$90. The check
25 register describes this fee as “Title Company” and the final settlement statement shows a \$90
26 courier pick-up fee payable to the title company, but the title company had taken all of its fees prior
27 to disbursing funds to Ultra Escrow. The file contains an invoice for Trang Dang without a date,
28 description, or escrow number.

1 38. Check number 22039 issued to John Nguyen on March 13, 2008, for \$150. The file
2 copy of the check shows the payee as only John Nguyen, but on the legal copy of the check, Trang
3 Dang’s name has been typed in below Nguyen’s name. The check register describes this fee as
4 “Title Company” and the final settlement statement shows a courier fee of \$150 payable to the title
5 company, but the title company had taken all of its fees prior to disbursing funds to Ultra Escrow.
6 The file contains an invoice for \$150 payable to John Nguyen for “Deliver docs to Title/RUSH,”
7 but there is no date or escrow number on the invoice.

8 39. Check number 22058 issued to Miguel Gaitan on March 17, 2008, for \$150. The
9 check register describes this fee as “Title Company” and the final settlement statement shows \$195
10 in messenger fees payable to the title company, but the title company had taken all of its fees prior
11 to disbursing funds to Ultra Escrow.

12 40. Check number 21818 issued to Miguel Gaitan on February 13, 2008, for \$100. The
13 check register describes this fee as “Title Company” and the final settlement statement shows \$100
14 in overnight/title wire fees payable to the title company, but the title company had taken all of its
15 fees prior to disbursing funds to Ultra Escrow.

16 41. Check number 22067 issued to Trang Dang on March 18, 2008, for \$300. The
17 check register describes this fee as “Title Company” and the final settlement statement shows \$300
18 in “doc servicing” fees payable to the title company, but the title company had taken all of its fees
19 prior to disbursing funds to Ultra Escrow. The file contains an invoice with the wrong escrow
20 number on it and not signed by the buyer or seller.

21 42. Check number 22083 issued to Miguel Gaitan on March 19, 2008, for \$125. The
22 check register describes this fee as “Title Company” and the final settlement statement shows \$125
23 in courier fees payable to the title company, but the title company had taken all of its fees prior to
24 disbursing funds to Ultra Escrow. The file contains an invoice for Miguel Gaitan, but the invoice
25 does not contain an escrow number, date, or amount due.

26 Dang was the escrow officer in each of the transactions described above.

27 After the examination, Ultra Escrow replaced all of the above amounts into its trust account
28 and then disbursed the funds to the appropriate party.

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Financial Code section 17414, subsection (a), provides:

It is a violation for any person subject to this division or any director, stockholder, trustee, officer, agent, or employee of any such person to do any of the following:

(1) Knowingly or recklessly disburse or cause the disbursement of escrow funds otherwise than in accordance with escrow instructions, or knowingly or recklessly to direct, participate in, or aid or abet in a material way, any activity which constitutes theft or fraud in connection with any escrow transaction.

(2) Knowingly or recklessly make or cause to be made any misstatement or omission to state a material fact, orally or in writing, in escrow books, accounts, files, reports, exhibits, statements, or any other document pertaining to an escrow or escrow affairs.

California Code of Regulations, Title 10, section 1738, subsection (a), provides:

All money deposited in such “trust” or “escrow” account shall be withdrawn, paid out, or transferred to other accounts only in accordance with the written escrow instructions of the principals to the escrow transaction or the escrow instructions transmitted electronically over the Internet executed by the principals to the escrow transaction or pursuant to order of a court of competent jurisdiction.

California Code of Regulations, Title 10, section 1741.3, provides:

Upon completion of an escrow transaction an escrow agent shall render to each principal to the escrow transaction a statement of his account in writing. Such statement shall specify all receipts and disbursements of escrow funds for his account. Charges made by the escrow agent for his services, and all disbursements by the escrow agent to a broker or salesman in connection with an escrow transaction shall be clearly designated as such and shall be shown separately from disbursements of the escrow agent. Payments outside of escrow, if shown in the statement, shall be set forth separately from payments by or to the escrow agent....

As shown above, Dang violated Financial Code section 17414, subsection (a)(1) and Code of Regulations, Title 10, section 1738 by making unauthorized disbursements in the total amount of \$10,157.45 out of Ultra Escrow’s trust account. Dang violated Financial Code section 17414, subsection (a)(2) and Code of Regulations, Title 10, section 1741.3, by misstating the nature of the those disbursements on checks, check registers, final settlement statements, invoices, and other documents pertaining to escrows.

III

Financial Code section 17423, subsection (a), provides:

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The commissioner may, after appropriate notice and opportunity for hearing, by order, censure or suspend for a period not exceeding 12 months, or bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:

(1) That the censure, suspension, or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

The Complainant finds that, by reason of the foregoing, Respondent has violated California Financial Code section 17414 and California Code of Regulations, Title 10, sections 1738 and 1741.3, and that it is in the public interest to bar Respondent Trang Dang from any position of employment, management, or control of any escrow agent.

WHEREFORE, IT IS PRAYED that Respondent Trang Dang be barred from any position of employment, management, or control of any escrow agent.

Dated: January 2, 2013
San Diego, CA

JAN LYNN OWEN
California Corporations Commissioner

By _____
Joyce Tsai
Corporations Counsel