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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT

9 OF THE STATE OF CALIFORNIA

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11 In the Matter of:)	
)	
12 THE COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	
13)	
14 Complainant,)	ORDER BARRING CUONG DOAN, ALSO
)	KNOWN AS KEN DOAN, FROM
15 v.)	EMPLOYMENT, MANAGEMENT, AND
)	CONTROL OF ANY ESCROW AGENT
16 CUONG DOAN, ALSO KNOWN AS KEN)	
17 DOAN,)	
)	
18 Respondent.)	
)	
19)	
20)	

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23 The Commissioner of Business Oversight (Commissioner) finds that:

24 1. Respondent Cuong Doan, also known as Ken Doan, (Doan) was at all relevant times

25 herein, an employee and escrow officer at Final Escrow, Inc. (Final), an escrow agent licensed by the

26 Commissioner pursuant to the Escrow Law (Fin. Code § 17000 et seq.). Final has its principal place

27 of business located at 17220 Newhope Street, Suite # 214, Fountain Valley, California 92708.

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March 4, 2016 Examination

2. On or about March 4, 2016, the Commissioner commenced a special examination of Final after receiving information from Final on February 26, 2016 that Doan misappropriated approximately $16,987.75 in Final's trust funds.

3. The special examination revealed that Doan had made unauthorized disbursements from Final's trust funds, in an amount totaling $16,987.75 between January 22, 2015 and November 6, 2015, in the following transactions:

Escrow #	Check #	Check Date	Amount	Date Cleared	Check Issued to
1518-KD	35651	01/22/2015	$1,005.14	02/28/2015	Discover Credit Card Acct ending in 3005
1812-KD	35813	03/17/2015	$1,522.69	03/21/2015	Discover Credit Card Acct ending in 3005
1808-KD	35966	05/04/2015	$2,056.07	05/07/2015	Capital One Credit Card Acct ending in 0726
1711-KD	36138	07/06/2015	$1,365.09	07/11/2015	Capital One Credit Card Acct ending in 0726
1967-KD	36194	08/03/2015	$2,005.69	08/13/2015	Capital One Credit Card Acct ending in 0726
1880-KD	36327	09/03/2015	$4,520.00	09/12/2015	Capital One Credit Card Acct ending in 0726
1962-KD	36434	10/05/2015	$2,056.07	10/15/2015	Capital One Credit Card Acct ending in 0726
1917-KD	36502	11/06/2015	$2,457.00	11/10/2015	Capital One Credit Card Acct ending in 0726
Total			$16,987.75		

4. Final first discovered Doan's attempted misappropriation on December 11, 2015 in

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1 Escrow # 1791-GRR. In Escrow # 1791-GRR, Doan issued a stop payment on outstanding trust

2 check # 35802 in the amount of $678.31 and issued check # 36597 instead to Capital One Credit

3 Card for the same amount. Upon review of the escrow file for Escrow # 1791-GRR, Final President

4 Andrea Park (Park), discovered that there was no written statement or authorization from the

5 principals of Escrow # 1791-GRR authorizing any disbursements to Capital One Credit Card. Doan

6 was also not the escrow officer to Escrow # 1791-GRR. Park put a stop payment on check # 36597

7 upon this discovery.

8   5.   Subsequently, Park confronted Doan and asked if the Capital One Credit Card

9 account that check # 36597 was issued to belonged to Doan, but Doan denied it. However, on

10 December 14, 2015, Park contacted Doan again and informed him that she would file a police report

11 and report him to the Department of Business Oversight. Doan subsequently admitted to Park that

12 the Capital One Credit Card account belonged to his brother and that his brother did not know that

13 Doan was using his brother's credit card. Doan also admitted that he needed that extra money but did

14 not want to ask Park for the extra money. Doan was subsequently terminated from Final on

15 December 14, 2015.

16   6.   A review of Final's escrow records revealed a pattern of Doan disbursing trust funds

17 without authorization to a Capital One Credit Card account ending in 0726 (COCC # 0726) and a

18 Discover Credit Card account ending in (DCC # 3055) as more fully described below:

19   a)   Escrow # 1808-KD

20   On or about May 4, 2015, Doan received a check in the amount of $2,056.07 to be credited to

21 the borrowers. On that same day, Doan issued check # 35966 disbursing $2,056.07 in trust funds to

22 COCC # 0726 without any written authorization from the principals of Escrow # 1808-KD

23 authorizing the disbursement, in violation of Financial Code section 17414 and California Code of

24 Regulations, title 10, sections 1738 and 1738.2.

25   b)   Escrow # 1962-KD

26   On or about May 29, 2015, Doan received a check in the amount of $2,056.07 to be credited

27 to the borrowers. On that same day, Doan issued check # 36030 disbursing $2,056.07 to the

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1   borrowers. Subsequently, on October 5, 2015, Doan issued a stop payment on check # 36030 and on

2   the same day, issued check # 36434 disbursing $2,056.07 in trust funds to COCC # 0726 without any

3   written authorization from the principals of Escrow # 1962-KD authorizing the disbursement, in

4   violation of Financial Code section 17414 and California Code of Regulations, title 10, sections

5   1738 and 1738.2.

6   c)   Escrow # 1711-KD

7   On or about April 6, 2015, Doan received a check in the amount of $1,365.09 to be credited

8   to the borrowers. On that same day, Doan issued check # 35893 disbursing $1,365.09 to the

9   borrowers. Subsequently, on July 6, 2015, Doan voided check # 35893 and on the same day, issued

10 check # 36138 disbursing $1,365.09 in trust funds to COCC # 0726 without any written

11 authorization from the principals of Escrow # 1711-KD authorizing the disbursement, in violation of

12 Financial Code section 17414 and California Code of Regulations, title 10, sections 1738 and

13 1738.2.

14   d)   Escrow # 1967-KD

15   On or about May 29, 2015, Doan received a check in the amount of $2,005.69 to be credited

16 to the borrowers. On that same day, Doan issued check # 36031 disbursing $2,005.69 to the

17 borrowers. Subsequently, on August 3, 2015, Doan issued check # 36194 disbursing $2,005.69 in

18 trust funds to COCC # 0726 without any written authorization from the principals of Escrow # 1967-

19 KD authorizing the disbursement, in violation of Financial Code section 17414 and California Code

20 of Regulations, title 10, sections 1738 and 1738.2. After issuing check # 36194 to COCC # 0726,

21 Doan issued a stop payment on check # 36031 on August 5, 2015.

22   e)   Escrow # 1880-KD

23   On or about June 30, 2015, Doan issued check # 36096 disbursing $4,520.00 to Chase Credit

24 Card on behalf of the borrower. On or about September 3, 2015, Doan adjusted check # 36096 to

25 reflect "wrong payee" and issued check # 36327 disbursing $4,520.00 in trust funds to COCC #

26 0726 without any written authorization from the principals of Escrow # 1880-KD authorizing the

27 disbursement, in violation of Financial Code section 17414 and California Code of Regulations, title

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1 | 10, sections 1738 and 1738.2.

2 | f)   Escrow # 1917-KD

3 | On or about March 12, 2015, Doan issued check # 35808 disbursing $2,457.00 to the Internal

4 | Revenue Service. On or about November 6, 2015, Doan issued a stop order to check # 35808 and on

5 | the same day, issued check # 36502 disbursing $2,457.00 in trust funds to COCC # 0726 without any

6 | written authorization from the principals of Escrow # 1917-KD authorizing the disbursement, in

7 | violation of Financial Code section 17414 and California Code of Regulations, title 10, sections

8 | 1738 and 1738.2.

9 | g)   Escrow # 1518-KD

10 | On or about March 28, 2014, Doan issued check # 35072 disbursing $1,005.14 to the

11 | borrowers. On or about January 20, 2015, Doan issued a stop payment on check # 35072. On or

12 | about January 22, 2015, Doan issued check # 35651 disbursing $1,005.14 in trust funds to a

13 | Discover Credit Card account ending in 3005 (DCC # 3005) without any written authorization from

14 | the principals of Escrow # 1518-KD authorizing the disbursement, in violation of Financial Code

15 | section 17414 and California Code of Regulations, title 10, sections 1738 and 1738.2.

16 | h)   Escrow # 1812-KD

17 | On or about March 17, 2015, Doan received a check in the amount of $1,522.69 to be

18 | credited to the borrowers. On that same day, Doan issued check # 35813 disbursing $1,522.69 in

19 | trust funds to DCC # 3005 without any written authorization from the principals of Escrow # 1812-

20 | KD authorizing the disbursement, in violation of Financial Code section 17414 and California Code

21 | of Regulations, title 10, sections 1738 and 1738.2.

22 | 7.   Doan's unauthorized disbursements resulted in trust fund shortages totaling

23 | $16,987.75 that were subsequently replaced by Final.

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II.

Order Barring Cuong Doan, also known as Ken Doan, from Employment, Management, or Control Of Any Escrow Agent

8.   On February 6, 2017, the Commissioner issued a Notice of Intention to Issue Order Pursuant to Financial Code Section 17423 (Bar from Employment, Management, or Control of Any Escrow Agent), Accusation and accompanying documents against Doan and Doan was personally served with those documents on February 19, 2017.

9.   There has been no request for a hearing received by the Commissioner and the statutory time period to request a hearing has expired.

10.   The above-described violations constitute grounds under California Financial Code section 17423 to bar a person from any position of employment, management or control of any escrow agent.

THEREFORE, it is hereby ordered that Respondent Cuong Doan, also known as Ken Doan, is barred from any position of employment, management or control of any escrow agent.

This Order is effective as of the date hereof.

Dated: March 20, 2017   JAN LYNN OWEN
Los Angeles, California   Commissioner of Business Oversight

                              By_____
                                 MARY ANN SMITH
                                 Deputy Commissioner
                                 Enforcement Division

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