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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA  
10

11	In the Matter of the Accusation of THE	)	OAH No. L-2002090673
12	CALIFORNIA CORPORATIONS	)	
12	COMMISSIONER,	)	Case No.: 963-1870
13		)	
14	Complainant,	)	ORDER BARRING DORIS A. MORROW
14		)	FROM ANY POSITION OF EMPLOYMENT,
15	vs.	)	MANAGEMENT OR CONTROL OF ANY
15		)	ESCROW AGENT (California Financial Code
16	DORIS A. MORROW,	)	section 17423)
16		)	
17	Respondent.	)	
17		)	
18		)	

19 Pursuant to the Stipulation entered into between the California Corporations Commissioner  
20 ("Commissioner") and Doris A. Morrow ("Morrow") on October 17, 2002, Morrow is hereby barred  
21 from any position of employment, management or control of any escrow agent. This Order is  
22 effective as of the date hereof.

23 Pursuant to the terms of the Stipulation, Morrow admits the following for purposes of this  
24 Order and any future proceedings initiated by or brought before the California Corporations  
25 Commissioner only:

26 A. Morrow was at all times relevant herein, the president, secretary, treasurer, and owner  
27 of Day & Nite Escrow, Inc. ("Day & Nite"), an escrow agent licensed by the Commissioner pursuant  
28 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). Day

1 & Nite had its principal place of business located at 778 Town & Country Road, Orange, California  
2 92868.

3 B. On December 21, 2001, Day & Nite, through Morrow, applied to the Commissioner  
4 to surrender its escrow agent’s license. On or about December 27, 2001, the Commissioner  
5 commenced proceedings to impose conditions on the surrender of the escrow agent’s license of Day  
6 & Nite. One such condition was that Day & Nite file with the Commissioner within 105 days from  
7 the date of the surrender application a closing audit prepared by a certified public accountant that is  
8 acceptable to the Commissioner. Day & Nite was served with the proceedings in accordance with  
9 Government Code section 11505. Day & Nite did not request a hearing within the time period  
10 allowed by statute, or otherwise. On or about April 10, 2002, an Order Imposing Conditions Upon  
11 Surrender of Escrow Agent’s License was issued by the Commissioner against Day & Nite.

12 C. The closing audit from Day & Nite required pursuant to Financial Code section  
13 17406(c) has never been received by the Commissioner despite its due date of April 8, 2002.  
14 Written demands from the Commissioner to Day & Nite for submission of the closing audit have  
15 gone unanswered.

16 D. In April 2002, the Commissioner began receiving numerous complaints from  
17 principals to escrows handled by Day & Nite, or their representatives, regarding their need for copies  
18 of documents and/or re-issuance of checks. In a written communication to the Commissioner dated  
19 May 17, 2002, Day & Nite, through Morrow, refused to handle any of these matters claiming that  
20 Fidelity National Title (“Fidelity”) was now responsible for all open and closed files pursuant to a  
21 December 2001 Letter of Understanding. Thereafter, Morrow ceased all communications with the  
22 Commissioner on these matters or otherwise. The Letter of Understanding between Day & Nite,  
23 executed by Morrow and Fidelity clearly provides that Day & Nite, not Fidelity, will be responsible  
24 for responding to all closed file inquiries and/or handling any uncashed checks or outstanding  
25 balances involving closed files.

26 E. Previously, on December 21, 2001, Morrow had caused the sum of \$2,580,290.50 to  
27 be wired to Fidelity from Day & Nite’s trust account on deposit with East West Bank to cover all  
28 outstanding balances on the open escrow files transferred by Day & Nite to Fidelity for handling

1 pursuant to the December 2001 Letter of Understanding.

2 F. Subsequently, on April 17, 2002, Morrow closed Day & Nite’s trust account at East  
3 West Bank by having a cashier’s check in the amount of \$142,418.03 issued to Fidelity. This  
4 cashier’s check, which comprised trust monies for closed escrow file balances and/or outstanding  
5 checks, was never been tendered to Fidelity. No principal to an escrow at Day & Nite authorized  
6 this disbursement to Fidelity. The Commissioner attempted to contact Morrow regarding this  
7 cashier’s check to no avail. The whereabouts of this cashier’s check is unknown to the  
8 Commissioner. Financial Code section 17414 (a)(1) and California Code of Regulations, title 10,  
9 sections 1738 and 1738.2 prohibit the disbursement or handling of trust funds or property except as  
10 instructed in writing by the escrow principals.

11 F. The unauthorized disbursement of \$142,418.03 caused a shortage to exist in the trust  
12 account in violation of California Code of Regulations, title 10, section 1738.1. For purposes of  
13 attempting to ascertain the status of the trust account, the Commissioner, on May 21, 2002, made  
14 written demand to Morrow pursuant to Financial Code section 17406 (e) to submit the trust account  
15 bank reconciliations for December 2001, and January, February, March, and April 2002 of Day &  
16 Nite along with copies of the bank statements. Morrow has failed to submit these reports to the  
17 Commissioner.

18 G. Morrow’s abandonment of Day & Nite’s escrow business with respect to the closed  
19 files and remaining trust funds, and her other actions, or lack thereof, in violation of the Escrow  
20 Law, caused the Commissioner, on June 11, 2002, to issue a Demand For and Order Taking  
21 Possession of the Trust Account(s) and Escrow Records of Day & Nite pursuant to Financial Code  
22 section 17621 and an Order Appointing Luhmen Tesoro as Conservator pursuant to Financial Code  
23 section 17630. The orders were necessary in order to offer any possible protection to the escrow  
24 customers of Day & Nite.

25 Dated: October 17, 2002

DEMETRIOS A. BOUTRIS  
California Corporations Commissioner

26  
27 By \_\_\_\_\_  
28 STEVEN C. THOMPSON  
Special Administrator, Escrow Law