

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Deputy Commissioner
3 320 WEST FOURTH STREET, STE, 750
LOS ANGELES, CALIFORNIA 90013-2344
4

5 Attorneys for Complainant

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

9 In the Matter of the Accusation of THE) File No.: 963 2256
CALIFORNIA CORPORATIONS)
10 COMMISSSIONER OF THE STATE OF) ORDER REVOKING ESCROW AGENT'S
CALIFORNIA,) LICENSE PURSUANT TO FINANCIAL
11) CODE SECTION 17207; and
12 Complainant,) ACCUSATION
13 vs.)
14 THE ESCROW MALL, INC.)
15 Respondent.)
16)
17

18 TO: THE ESCROW MALL, INC.
1424 MADERA ROAD #203
19 SIMI VALLEY, CA 93065

20 THE ESCROW MALL, INC. ("Respondent"), has not paid its assessment as required by
21 Section 17207 of the Financial Code, specifically invoice number ES0607 due June 30, 2010
22 although notification to the assessment was duly sent on or about May 30, 2010.

23 THEREFORE, GOOD CAUSE APPEARING, Respondent's Escrow Agent's
24 License is hereby revoked effective February 9, 2011 pursuant to Section 17207 (e) (4) of the
25 California Financial Code unless the annual assessment plus the penalty of 10% is received in good
26 funds at the Department of Corporations Accounting Office located at 1515 K Street, Suite 200,
27 Sacramento, CA 95814-4052 no later than the close of business on February 8, 2011. In the event
28 this Revocation Order becomes effective, you are hereby ordered and directed to discontinue

1 acceptance or processing of any escrow or joint control business, and the taking of any money,
2 documents, or other property in connection herewith effective February 9, 2011.

3 This ORDER is to remain in full force and effect until the further written order of the
4 Commissioner of Corporations.

5 Section 17207 (e) (4) and (e) (5) of the California Financial Code provides as follows:

6 “If an escrow agent fails to pay the amount due on or before the June 30 following the day
7 upon which payment is due, the commissioner may by order summarily suspend or revoke
8 the certificate issued to the company.

9 If, after an order is made pursuant to paragraph (4), a request for a hearing is filed in
10 writing and a hearing is not held within 60 days thereafter, the order is deemed rescinded as
11 of its effective date. During any period when its certificate is revoked or suspended, a
12 company shall not conduct business pursuant to this division, except as may be permitted
13 by order of the commissioner. However, the revocation, suspension, or surrender of a
14 certificate shall not affect the powers of the commissioner as provided in this division.”

13 Dated: January 19, 2011

14 Los Angeles, California

15 PRESTON DuFAUCHARD
16 California Corporations Commissioner

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18 By _____
19 KATHLEEN R. PARTIN
20 Special Administrator
21 California Escrow Law
22 (213) 576-7595
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 2256
)
)
THE ESCROW MALL, INC.)
)
a licensee under the Escrow Law)
)

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT
TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: THE ESCROW MALL, INC.
1424 Madera Road #203
Simi Valley, CA 93065

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

THE ESCROW MALL, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective August 8, 2010, Bond No. 92-W6-8462-5 issued by State Farm Fire and Casualty Company in favor of THE ESCROW MALL, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, THE ESCROW MALL, INC. is conducting escrow business in
2 violation of Section 17202 of the Financial Code and is conducting business in an unsafe and
3 injurious manner as to render further operations hazardous to the public or to customers.

4 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
5 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California
6 Financial Code, that THE ESCROW MALL, INC. immediately discontinue acceptance of any new
7 escrow or joint control business, and of money, documents or other property in connection
8 therewith.

9 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

10 Section 17415 of the Financial Code provides as follows:

11 (a) If the commissioner, as a result of any examination or from
12 any report made to him or her, shall find that any person subject to this
13 division is in an insolvent condition, is conducting business in such an
14 unsafe or injurious manner as to render further operations hazardous to the
15 public or to customers, has failed to comply with the provisions of Section
16 17212.1 or 17414.1, has permitted its tangible net worth to be lower than
17 the minimum required by law, has failed to maintain its liquid assets in
18 excess of current liabilities as set forth in Section 17210, or has failed to
19 comply with the bonding requirements of Chapter 2 (commencing with
20 Section 17200) of this division, the commissioner may, by an order
21 addressed to and served by registered or certified mail or by personal
22 service on such person and on any other person having in his or her
23 possession or control any escrowed funds, trust funds or other property
24 deposited in escrow with said person, direct discontinuance of the
25 disbursement of trust funds by the parties or any of them, the receipt of
26 trust funds, the delivery or recording of documents received in escrow, or
27 other business operations. No person having in his or her possession any of
28 these funds or documents shall be liable for failure to comply with the
order unless he or she has written notice of the order. Subject to
subdivision (b), the order shall remain in effect until set aside by the
commissioner in whole or in part, the person has been adjudged bankrupt,
or pursuant to Chapter 6 (commencing with Section 17621) of this division
the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of any order pursuant to
Subdivision (a), the person may request a hearing under the Administrative
Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3
or Title 2 of the Government Code. Upon receipt of a request, the matter
shall be set for hearing to commence within 30 days after such receipt
unless the person subject to this division consents to a later date. If no

1 hearing is requested 15 days after the mailing or service of such notice and
2 none is ordered by the commissioner, the failure to request a hearing shall
3 constitute a waiver of the right to a hearing. Neither the request for a
4 hearing nor the hearing itself shall stay the order issued by the
5 commissioner under subdivision (a).

6 Dated: August 10, 2010
7 Los Angeles, California

8 Preston DuFauchard
9 California Corporations Commissioner

10 By _____
11 Kathleen R. Partin
12 Special Administrator
13 (213) 576-7595
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1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 UCHE ENENWALI (CA BAR NO.: 235832)
Corporations Counsel
4 Department of Corporations
320 West 4th Street, Suite 750
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Telephone: (213) 576-7591 Fax: (213) 576-7181

6 Attorneys for the Complainant

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

10 Case No.: 963 - 2256

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

13 Complainant,)

14)
15 v.)

16)
17 THE ESCROW MALL,)

18 Respondent.)
19)
20)

**ORDER TO DISCONTINUE VIOLATIONS
PURSUANT TO CALIFORNIA FINANCIAL
CODE SECTIONS 17403.2; 17404; 17405;
AND CALIFORNIA CODE OF
REGULATIONS SECTION 1737.3**

21 TO: THE ESCROW MALL
C/o Janis Willoughby-Konig, Owner
22 1424 Madera Road, Suite 101
23 Simi Valley, CA 93065

24 The Complainant is informed and believes and based upon such information and belief,
25 alleges and charges as follows:

26 1. THE ESCROW MALL, a California corporation (The Escrow Mall or Respondent) is
27 an escrow agent holding a valid and unrevoked license issued by the Commissioner of Corporations
28

1 of the State of California (Commissioner), pursuant to the Escrow Law of the State of California
2 (§17000 et seq. of the California Financial Code) and has its main office located at 1424 Madera
3 Road, Suite 203, Simi Valley, California 93065.

4 2. The Escrow Mall and its employee and escrow officer, Melissa Goelz (Goelz),
5 accepted unilateral instructions from a seller to alter the purchase agreement in an escrow transaction
6 without obtaining the consent of the buyer in violation of California Financial Code Section 17403.2.
7 Specifically, The Escrow Mall and Goelz altered the contract by removing the requirement that the
8 seller provide a home protection plan for the buyer at the request of the seller and without the buyer's
9 approval.

10 3. The Escrow Mall failed to produce the escrow file that is the subject of this dispute
11 when requested by the Commissioner in a letter dated March 30, 2010. In a telephone conversation
12 with the Commissioner's staff on April 30, 2010, Janis Willoughby-Konig, owner and officer of The
13 Escrow Mall stated that the file had been misplaced and that The Escrow Mall would be unable to
14 provide the file, in violation of California Financial Code Sections 17404 and 17405; and California
15 Code of Regulations Section 1737.3.

16 4. California Financial Code Section 17403.2 provides in relevant part:

17 (a) No person subject to this division shall solicit or
18 accept an escrow instruction or amended or supplemental escrow
19 instruction containing any blank to be filled in after signing or
20 initialing of the escrow instruction or amended or supplemental
21 escrow instruction, nor permit any person to make any addition to,
22 deletion from, or alteration of an escrow instruction or amended or
23 supplemental escrow instruction, unless the addition, deletion or
24 alteration is signed or initialed by all persons who had signed or
25 initialed the escrow instruction or amended or supplemental escrow
26 instruction prior to the addition, deletion or alteration.

27 5. California Financial Code Section 17404 provides:

28 Every person subject to this division shall keep and use in its
business, books, accounts, and records which will properly enable
the commissioner to determine whether the escrow functions
performed by such person comply with the provisions of this
division and with all rules made by the commissioner under this
division.

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- 6. California Financial Code Section 17405 provides in relevant part:
 - (a) The business, accounts and records of every person performing as an escrow agent, whether required to be licensed under this division or not, are subject to inspection and examination by the commissioner at any time without prior notice.
 - (b) Any person subject to this division shall, upon request, exhibit and allow inspection and copying of any books and records by the commissioner or his or her authorized representative.
- 7. California Code of Regulations, Title 10, Section 1737.3 provides in relevant part:
 - (a) An escrow agent shall preserve for at least five years from the close of escrow:
 - (6) Escrow instructions and amendments thereto;

8. By reason of the foregoing, The Escrow Mall has violated California Financial Code §§17403.2, 17404, 17405 and California Code of Regulations, Title 10, §1737.3.

WHEREFORE, good cause showing, the California Corporations Commissioner is issuing an Order to Discontinue Violations and notifying The Escrow Mall of his intention to make the order final.

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of California Financial Code Sections 17403.2, 17404, 17405, and California Code of Regulations Section 1737.3 that THE ESCROW MALL immediately discontinue the violations set forth above.

Dated: November 15, 2010
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division