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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE)	File No.: 963-2549
COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	ORDER BARRING ROBERT C. CRENSHAW
)	FROM ANY POSITION OF EMPLOYMENT,
Complainant,)	MANAGEMENT OR CONTROL OF ANY
)	ESCROW AGENT
vs.)	
)	
EFFICIENT SERVICES ESCROW GROUP,)	
ROBERT C. CRENSHAW, and DANIEL J.)	
CRENSHAW,)	
)	
Respondent.)	
)	

The Commissioner of Business Oversight (“Commissioner”) finds that:

- Respondent Robert C. Crenshaw ("R. Crenshaw") was at all times relevant herein, the president and sole shareholder of Efficient Services Escrow Group (“Efficient”), an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). Efficient had its principal place of business located at 19671 Beach Boulevard, Suite 215, Huntington Beach, California 92648. However, the actual licensed location of Efficient was 19671 Beach Boulevard, Suite 207, Huntington Beach, California 92648.
- On February 25, 2013, the Commissioner received information from Escrow Agent’s Fidelity Corporation (“EAFIC”), the fidelity insurer for the independent escrow industry, that

1 Efficient had notified EAFC on February 22, 2013 that it had suffered shortages in its trust accounts
2 totaling \$1,558,339.00. Based upon such information, the Commissioner, by and through staff,
3 commenced a special examination of the books and records of Efficient on February 26, 2013.

4 3. The special examination disclosed that Efficient had shortages in its two trust
5 accounts totaling \$1,558,339.00. The special examination disclosed that the shortages were
6 apparently caused by “cyber theft” when funds on deposit in the trust accounts of Efficient were
7 wired out of the country. The respective dates and amounts of the unauthorized wires were
8 December 17, 2012 in the amount of \$432,215.00, January 24, 2013 in the amount of \$563,112.00,
9 and January 30, 2013 in the amount of \$563,112.00.

10 4. At the time the unauthorized wires occurred in January 2013, the trust accounts of
11 Efficient had not been reconciled for the month of December 2012 in violation of Financial Code
12 section 17404 and California Code of Regulations, title 10, section 1732.2(a)(3). Financial Code
13 section 17404 and California Code of Regulations, title 10, section 1732.2(a)(3) require escrow
14 agent licensees to reconcile their trust account(s) on a monthly basis. The December 31, 2012 bank
15 account statement for the trust account ending in 2416 clearly showed the December 17, 2012
16 unauthorized wire in the amount of \$432,215.00. As of February 22, 2013, the trust accounts for
17 Efficient had still not been reconciled for December 2012 and the trust account reconciliations for
18 January 2013 were now late too.

19 5. The regulatory examination of Efficient completed in September 2012 disclosed that
20 the books and records of Efficient were not being maintained in accordance with the requirements of
21 the Escrow Law, in particular, its trust accounting books and records. The Department of Business
22 Oversight’s examiner discussed the violations of the Escrow Law with respect to the maintenance of
23 proper books and records with the management of Efficient during an exit conference and verified
24 that the books and records of Efficient were brought up to date prior to completion of the regulatory
25 examination.

26 6. On February 26, 2013, the Commissioner made written demand to Efficient, by and
27 through R. Crenshaw, to cure the \$1,558,339.00 shortage in the trust accounts no later than close of
28 business February 27, 2013. The shortage was not cured by close of business February 27, 2013

1 causing the Commissioner to issue an Order to Discontinue Escrow Activities Pursuant to California
2 Financial Code Section 17415 against Efficient on February 28, 2013.

3 7. The Department allowed seven business days after service of the Order to
4 Discontinue Escrow Activities for the trust account shortages at Efficient to be cured. The trust
5 account shortages were not cured by the deadline except that the bank where Efficient had its trust
6 accounts was able to retrieve the \$432,215.00 December 17, 2012 wire. However, trust account
7 shortages totaling \$1,126,224.00 remained.

8 8. The failure to maintain current books and records and to cure the trust account
9 shortages, caused the Commissioner, on March 7, 2013, to issue a Demand For and Order Taking
10 Possession of the Property and Business Pursuant to Financial Code section 17621 against Efficient
11 along with an Order Appointing Peter A. Davidson as Conservator Pursuant to Financial Code
12 section 17630. These Orders were necessary in order to offer any possible protection to the escrow
13 customers of Efficient. The conservatorship was converted to a receivership on July 2, 2013.

14 9. On September 25, 2013, the Commissioner issued a Notice of Intention to Issue
15 Order Revoking Escrow Agent's License and to Issue Orders Pursuant to California Financial Code
16 Section 17423 (Bar From Employment, management or Control of Any Escrow Agent), Accusation
17 and accompanying documents against Efficient, R. Crenshaw and Daniel J. Crenshaw based upon
18 the above described findings. R. Crenshaw was personally served with those documents on
19 September 27, 2013.

20 10. The Commissioner has received no request for a hearing from R. Crenshaw, and the
21 time period in which to request a hearing pursuant to Financial Code section 17423(b) has expired.

22 11. The above described violations constitute grounds under Financial Code section
23 17423 to bar a person from any position of employment, management or control of any escrow
24 agent. These violations also allowed trust account shortages to go undiscovered and caused material
25 damage to the public and the escrow agent, and it is in the best interests of the public to bar Robert
26 C. Crenshaw from any position of employment, management or control of any escrow agent.
27
28

1 THEREFORE, it is hereby ordered that Respondent Robert C. Crenshaw is barred from any
2 position of employment, management or control of any escrow agent. This Order is effective as of
3 the date hereof.

4 Dated: October 17, 2013
5 Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

6 By _____
7 Mary Ann Smith
8 Deputy Commissioner
9 Enforcement Division
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