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6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) File No.: 963-2549  
COMMISSIONER OF BUSINESS )  
12 OVERSIGHT, ) ORDER REVOKING ESCROW AGENT’S  
13 ) LICENSE  
Complainant, )  
14 )  
vs. )  
15 )  
16 EFFICIENT SERVICES ESCROW GROUP, )  
ROBERT C. CRENSHAW, and DANIEL J. )  
17 CRENSHAW, )  
18 Respondents. )  
19 )

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

- 21 1. Respondent Efficient Services Escrow Group ("Efficient") is an escrow agent  
22 licensed by the Commissioner of Business Oversight ("Commissioner" or "Complainant") pursuant  
23 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).  
24 Efficient had its principal place of business located at 19671 Beach Boulevard, Suite 215,  
25 Huntington Beach, California 92648. However, the actual licensed location of Efficient is 19671  
26 Beach Boulevard, Suite 207, Huntington Beach, California 92648.  
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1           2.       On February 25, 2013, the Commissioner received information from Escrow Agent’s  
2 Fidelity Corporation (“EAFC”), the fidelity insurer for the independent escrow industry, that  
3 Efficient had notified EAFC on February 22, 2013 that it had suffered shortages in its trust accounts  
4 totaling \$1,558,339.00. Based upon such information, the Commissioner, by and through staff,  
5 commenced a special examination of the books and records of Efficient on February 26, 2013.

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

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

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

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1           6.       On February 26, 2013, the Commissioner made written demand to Efficient to cure  
2 the \$1,558,339.00 shortage in the trust accounts no later than close of business February 27, 2013.  
3 The shortage was not cured by close of business February 27, 2013 causing the Commissioner to  
4 issue an Order to Discontinue Escrow Activities Pursuant to California Financial Code Section  
5 17415 against Efficient on February 28, 2013.

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

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

17           9.       On September 25, 2013, the Commissioner issued a Notice of Intention to Issue  
18 Order Revoking Escrow Agent’s License and to Issue Orders Pursuant to California Financial Code  
19 Section 17423 (Bar From Employment, management or Control of Any Escrow Agent), Accusation  
20 and accompanying documents against Efficient, Robert C. Crenshaw, and Daniel J. Crenshaw based  
21 upon the above described findings. Efficient was served with those documents on September 25,  
22 2013.

23           10.      The Commissioner has received no request for a hearing from Efficient, and the time  
24 period in which to request a hearing pursuant to Financial Code section 17608 has expired.

25           11.      The above-described violations constitute grounds under Financial Code section  
26 17608 to revoke an escrow agent’s license under the Escrow Law.

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THEREFORE, it is hereby ordered that the escrow agent’s license of Respondent Efficient Services Escrow Group is hereby revoked. This Order is effective as of the date hereof.

Dated: October 17, 2013  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Mary Ann Smith  
Deputy Commissioner  
Enforcement Division