

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11	In the Matter of THE CALIFORNIA)	File No.: 963-1838
12	CORPORATIONS COMMISSIONER,)	
13	Complainant,)	ORDER SETTING ASIDE ORDER TAKING
14	vs.)	POSSESSION OF THE TRUST FUNDS AND
15	THE ESCROW SOURCE, INC.,)	ESCROW RECORDS AND ORDER
16	Respondent.)	TERMINATING CONSERVATORSHIP
17)	

18 The California Corporations Commissioner finds as follows:

- 19 1. The Escrow Source, Inc., a California corporation ("Escrow Source"), was an escrow
20 agent licensed by the California Corporations Commissioner ("Commissioner"), pursuant to the
21 Escrow Law of the State of California (Financial Code §§ 17000, et seq.).
- 22 2. According to the documents filed with the Commissioner by Escrow Source, Sandra
23 Arliss ("Arliss") was the president and owner of Escrow Source.
- 24 3. For reasons stated in the documents listed below and dated June 20, 2003, which
25 included a trust account shortage and failure to maintain books and records, the Commissioner took
26 possession of the property and business of Escrow Source and appointed Timothy J. Yoo as
27 Conservator over Escrow Source ("Conservator") by issuing the following documents:
28

1 A. Demand For and Order Taking Possession of Property and Business Pursuant to
2 California Financial Code Section 17621 (the "Order Taking Possession");

3 B. Notice and Summary of Findings Pursuant to California Financial Code Section
4 17621;

5 C. Order Appointing Timothy J. Yoo as Conservator Pursuant to California Financial
6 Code Section 17630 (the "Conservatorship Order").

7 4. Pursuant to both the Order Taking Possession and the Conservatorship Order, all
8 persons, including Arliss, who had possession, custody or control of any of the property, business
9 and records of Escrow Source, became obligated to turn over to the Conservator such property,
10 business and records, including the Escrow Source escrow agent's license.

11 5. The Conservator took possession of the property, business, and records of Escrow
12 Source and all known trust account(s) of Escrow Source and, pursuant to Financial Code Section
13 17630, took actions to conserve those assets and trust funds pending further disposition of the
14 business.

15 6. On October 21, 2003, the Commissioner substituted Louisa A. Broudy, Assistant
16 Commissioner of the Financial Services Division of the California Department of Corporations as
17 conservator in place and stead of Timothy J. Yoo ("Yoo"), and pursuant to said Order took
18 possession of the property, business and assets of Escrow Source then remaining in the possession of
19 Yoo.

20 7. On December 11, 2003, the Commissioner issued an Order Amending Demand For
21 and Order Taking Possession of Property and Business and Order Appointing Conservator
22 ("Amended Order") wherein the escrow agent's license of Escrow Source was surrendered, and the
23 remaining assets and property of Escrow Source in the possession of the Conservator (which did not
24 include the leased premises and equipment and corporate records which were previously returned to
25 Arliss by Yoo on or about August 27, 2003) and the business affairs and liabilities and all
26 outstanding obligations and liabilities relating thereto were returned to Arliss, except for the trust
27 accounts and all bank and escrow records pertinent thereto, which remained in the possession,
28 custody and control of the Conservator, and the non-trust cash assets of Escrow Source, which were

1 used to pay the costs and expenses of the Conservatorship as provided by law.

2 8. The Conservator has conducted a reconciliation of the escrow trust account(s) of
3 Escrow Source and obtained the approval of the Commissioner to make a distribution of the Escrow
4 Source trust funds.

5 9. The Conservator has distributed such escrow trust funds to the extent that the
6 person(s) could be located and has escheated to the State of California all remaining escrow trust
7 funds.

8 10. The retention period mandated for escrow records by California Code of Regulations,
9 title 10, section 1737.1 has expired.

10 11. The Commissioner is satisfied that termination of the conservatorship may be done
11 safely and is in the public interest.

12 12. The Conservator has provided to the Commissioner a written accounting of the
13 activities and expenses of the conservatorship.

14 Now, good cause appearing, IT IS HEREBY ORDERED that:

15 1. The conservatorship is hereby terminated pursuant to California Financial Code
16 Section 17634.

17 2. The Commissioner hereby ratifies those actions taken by the Conservators with
18 respect to the property, business, and escrow trust account(s) and bank and escrow records, and the
19 Conservators, the State of California and each of their respective employees and agents is hereby
20 released from any and all obligation and/or liability arising out of or relating to the conservatorship
21 of Escrow Source.

22 3. Pursuant to California Code of Regulations, title 10, section 1737.1, the
23 Commissioner hereby authorizes the destruction, in accordance with applicable laws, of all records
24 of Escrow Source currently remaining in the possession of the Conservator.

25 Dated: May 26, 2010
26 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

27 By _____
28 Alan S. Weinger
Deputy Commissioner