

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
5 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
6 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604 Fax: (213) 576-7181

7 Attorneys for Complainant  
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of THE CALIFORNIA ) Case No.: 963-2090  
CORPORATIONS COMMISSIONER, )  
13 ) DEMAND FOR AND ORDER TAKING  
Complainant, ) POSSESSION OF THE TRUST FUNDS AND  
14 ) ESCROW RECORDS OF ESCROW  
vs. ) DIVERSIFIED, INC. PURSUANT TO  
15 ) CALIFORNIA FINANCIAL CODE SECTION  
16 ESCROW DIVERSIFIED, INC., ) 17621  
17 )  
Respondent. )  
18 )  
19 )

20 TO: ESCROW DIVERSIFIED, INC.,  
21 7561 Center Avenue, Building 48  
Huntington Beach, California 92647

22 UNION BANK OF CALIFORNIA  
23 Escrow Industry Group 912  
24 P.O. Box 513840  
25 Los Angeles, California 90051-3840

26 WHEREAS, Preston DuFauchard, the California Corporations Commissioner  
27 ("Commissioner"), has found that Escrow Diversified, Inc. ("Diversified"), an escrow agent subject  
28 to the Escrow Law (California Financial Code sections 17000 et seq.), is unable to remedy certain  
conditions set forth in the Notice and Summary of Findings Pursuant to section 17621 of the

1 California Financial Code issued by the Commissioner on November 27, 2007; and

2 WHEREAS, Respondent is conducting escrow business in an unsafe, injurious and unauthorized  
3 manner, so as to render further operations hazardous to the public and to customers in that

4 Respondent has:

5 (a) engaged in unauthorized and unsafe practices by transferring or otherwise disbursing  
6 trust funds to its general and/or payroll accounts or otherwise for the payment of business operating  
7 expenses or other non-trust related expenses in violation of Financial Code sections 17409 and  
8 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

9 (b) by engaging in such unauthorized and unsafe practices has caused a shortage to exist  
10 in the trust account of at least \$162,154.12 in violation of California Code of Regulations, title 10,  
11 section 1738.1;

12 (c) failed to perform monthly bank reconciliations on the trust account since December  
13 31, 2006 in violation of Financial Code section 17404 and California Code of Regulations, title 10,  
14 section 1732.2.

15 NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the  
16 Commissioner, effective this date, hereby demands and takes possession of the trust accounts of  
17 Escrow Diversified, Inc. and all bank and escrow records pertinent thereto, and will retain  
18 possession thereof until the Commissioner appoints a conservator, or until its affairs are finally  
19 liquidated as provided for in Division 6, Chapter 6 of the Financial Code, or it resumes business with  
20 the consent and upon such conditions as the Commissioner may prescribe.

21 Dated: December 5, 2007  
22 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

23  
24 By \_\_\_\_\_  
25 Alan S. Weinger  
26 Lead Corporations Counsel  
27  
28