

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JOHNNY O. VUONG (State Bar No. 249570)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7585
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11	In the Matter of:)	ESCROW LICENSE NO.: 963-2663
12	THE COMMISSIONER OF BUSINESS)	STATEMENT OF FACTS IN SUPPORT OF
13	OVERSIGHT,)	ORDER TO DISCONTINUE VIOLATIONS
14	Complainant,)	PURSUANT TO FINANCIAL CODE
15	v.)	SECTION 17602
16	FINAL ESCROW, INC.,)	
17	Respondent.)	
18)	
19)	
20)	

21
22 The Complainant is informed and believes and based upon such information and belief,
23 alleges and charges as follows:

24 1. Final Escrow, Inc. (Final) is an escrow agent licensed by the Commissioner of
25 Business Oversight (Commissioner) pursuant to the Escrow Law (Fin. Code § 17000 et seq.). Final
26 has its principal place of business located at 17220 Newhope Street, Suite # 214, Fountain Valley,
27 California 92708.

Failure to Report Violations

2 2. Under Financial Code section 17414, all licensees must immediately report an
3 abstraction or misappropriation of escrow funds in writing to the Commissioner. Final failed to
4 report the misappropriation of Final’s trust funds to the Commissioner immediately.

5 3. Final first discovered former employee and escrow officer Cuong Doan’s, also known
6 as Ken Doan, (Doan) attempted misappropriation of trust funds on December 11, 2015 in Escrow #
7 1791-GRR. In Escrow # 1791-GRR, Doan issued a stop payment on outstanding trust check # 35802
8 in the amount of \$678.31 and issued check # 36597 instead to Capital One Credit Card for the same
9 amount. Upon review of the escrow file for Escrow # 1791-GRR, Final President Andrea Park
10 (Park), discovered that there was no written statement or authorization from the principals of Escrow
11 # 1791-GRR authorizing any disbursements to Capital One Credit Card. Doan was also not the
12 escrow officer to Escrow # 1791-GRR. Park put a stop payment on check # 36597 upon this
13 discovery.

14 4. Subsequently, Park confronted Doan and asked if the Capital One Credit Card
15 account that check # 36597 was issued to belonged to Doan, but Doan denied it. However, on
16 December 14, 2015, Park contacted Doan again and informed him that she would file a police report
17 and report him to the Department of Business Oversight. Doan subsequently admitted to Park that
18 the Capital One Credit Card account belonged to his brother and that his brother did not know that
19 Doan was using his brother’s credit card. Doan also admitted that he needed that extra money but did
20 not want to ask Park for the extra money. Doan was subsequently terminated from Final on
21 December 14, 2015.

22 5. After discovery of Doan’s misappropriation, Park conducted a review of checks
23 issued from Final’s trust account to Capital One Credit Card and discovered that Doan made
24 unauthorized disbursements totaling \$14,459.92 from Final’s trust account to a Capital One Credit
25 Card account ending in 0726 (COCC # 0726) in the following escrow transactions: Escrow # 1808-
26 KD, 1711-KD, 1967-KD, 1880-KD, 1962-KD, and 1917-KD. On December 18, 2015, Final
27 replaced the unauthorized disbursements made by Doan from Final’s trust account with funds from
28 Final’s general account. However, despite the knowledge of Doan’s misappropriation of trust funds

1 based upon their review of Escrow # 1791-GRR, confrontation with Doan on December 14, 2015,
2 and subsequent replacement of the misappropriated trust funds on December 18, 2015, Final did not
3 report Doan’s misappropriation of trust funds to the Commissioner until February 26, 2016.

4 6. Financial Code section 17602 provides:

5 If it appears to the commissioner that any licensed escrow agent has
6 violated its articles of incorporation, or any law or rule binding upon it,
7 the commissioner shall, by written order addressed to the agent direct
8 the discontinuance of such violation. The order shall be effective
9 immediately, but shall not become final except in accordance with the
10 provisions of Section 17604.

11 7. Financial Code section 17604 provides:

12 No order issued pursuant to Section 17602 or 17603 may become final
13 except after notice to any licensed escrow agent affected thereby of the
14 intention of the commissioner to make such order final and of the reasons
15 therefore and that upon receipt of a request the matter will be set down
16 for hearing to commence within 15 business days after such receipt unless
17 the licensed agent affected consents to a later date. If no hearing is requested
18 within 30 days after the mailing of such notice and none is ordered by the
19 commissioner, the order may become final without hearing and the licensed
20 escrow agent shall immediately discontinue the practices named in the order.
21 If a hearing is requested or ordered, it shall be held in accordance with the
22 provisions of the Administrative Procedure Act , Chapter 5 (commencing
23 with Section 11500) of Part 1 of Division 3 of Title 2 of the Government
24 Code, and the commissioner shall have all the powers granted thereunder. If
25 upon the hearing, it appears to the commissioner that the licensed agent is
26 conducting business in an unsafe and injurious manner or is violating its
27 articles of incorporation or any law binding upon it, the commissioner shall
28 make the order of discontinuance final and the licensed escrow agent shall
immediately discontinue the practices named in the order.

WHEREFORE, good cause showing, the Commissioner of Business Oversight is issuing an
Order to Discontinue Violations and notifying Final of her intention to make the order final.

Dated: February 6, 2017
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Johnny Vuong
Senior Counsel
Enforcement Division