

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 4th 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 Accusation of THE) File No.: 963-1989
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING ESCROW AGENT’S
14) LICENSE
Complainant,)
15)
16 vs.)
17 GRACELAND ESCROW SERVICES)
CORPORATION fka ENCINA ESCROW)
18 SERVICES CORPORATION and ARTHUR)
WANG,)
19)
20 Respondents.)

21 The California Corporations Commissioner finds that:

22 1. Respondent Graceland Escrow Services Corporation formerly known as Encina
23 Escrow Services Corporation ("Graceland") is an escrow agent licensed by the California
24 Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the
25 State of California (California Financial Code Section 17000 et seq.). Graceland had its principal
26 place of business located at 377 S. Lemon Ave., Ste. E, Walnut, California 91789.

27 2. Respondent Arthur Wang ("Wang") is, and was at all times relevant herein, the
28 president and owner of Graceland.

1 3. On November 3, 2004, the Commissioner commenced a regulatory examination of
2 the books and records of Graceland. The initial findings of the regulatory examination disclosed that
3 Graceland (i) did not have a person stationed at its licensed location that met the experience
4 requirements of California Financial Code section 17200.8, (ii) was unable to provide any evidence
5 that it met the net worth and liquidity requirements of California Financial Code section 17210, and
6 (iii) had failed to maintain its books and records in accordance with the Escrow Law as follows:

7 a. The most recent trust account reconciliation provided by Graceland at the
8 commencement of the regulatory examination was for the period ended September 30, 2004 and
9 disclosed an adjusted escrow balance and adjusted bank balance of *negative* \$303,902.51. The
10 September 30, 2004 reconciliation also contained one hundred and eighteen (118) adjustments that
11 had not been researched and corrected in violation of California Financial Code section 17404 and
12 California Code of Regulations, title 10, section 1732.2, with several of the adjustments dating back
13 to June 2003.

14 b. As of November 10, 2004, Graceland was unable to meet the demands of the
15 Commissioner to provide a proper trust account reconciliation for the period ended September 30,
16 2004.

17 c. The escrow liability ledgers provided by Graceland at the commencement of
18 the regulatory examination disclosed debit balances in seven (7) escrows totaling \$251,588.06 in
19 violation of California Code of Regulations, title 10, section 1738.1.

20 4. As a result of the failure of Graceland to maintain proper books and records, the
21 Commissioner was unable to determine whether a true shortage existed in the trust account of
22 Graceland or whether it met the tangible net worth and liquid asset requirements of the California
23 Financial Code section 17210. Accordingly, on November 10, 2004, the Commissioner issued an
24 Order to Discontinue Escrow Activities Pursuant to California Financial Code Section 17415 against
25 Graceland.

26 5. Since the issuance of the Order to Discontinue Escrow Activities, Graceland has been
27 able to determine the exact amount of the trust account shortage as \$23,397.35, which has been
28 confirmed by the examination staff of the Commissioner.

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6. On February 1, 2008, the Commissioner issued a Notice of Intention to Issue an Order Revoking Escrow Agent’s License and to Issue Order Pursuant to California Financial Code Section 17423 (Bar from Employment, Management or Control of Any Escrow Agent), Accusation and accompanying documents against Graceland and Wang, and Graceland and Wang were personally served with those documents on March 8, 2008. The Department has received no request for a hearing or any other response from Graceland and the time to request a hearing has expired.

7. The above-described violations constitute grounds under Financial Code section 17608 for the revocation of a license issued under the Escrow Law.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent’s license of Graceland Escrow Services, Inc. is hereby revoked. This order is effective as of the date hereof.

Dated: March 25, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel