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

11 In the Matter of:) Escrow License No. 963-2341
12)
13 THE COMMISSIONER OF BUSINESS) ORDER TO DISCONTINUE ESCROW
OVERSIGHT,) ACTIVITIES UNDER FINANCIAL CODE
14) SECTION 17415
15 Complainant,)
16 vs.)
17)
18 JD ESCROW, INC.)
19 Respondent.)
20)

21 TO: JD Escrow, Inc.
22 16509 Brookhurst Street
23 Fountain Valley, CA 92708

24 Jan Lynn Owen, the Commissioner of Business Oversight ("Commissioner"), finds that:
25 JD Escrow, Inc. ("JD Escrow") failed to submit its annual audit report for its fiscal year ended
26 December 31, 2015, as required under Financial Code section 17406. On or about November 18,
27 2015, the Commissioner notified JD Escrow in writing of the audit report's due date as well as the
28 possibility of the imposition of fines if the company filed the audit report late.

1 On or about April 27, 2016, the Commissioner sent JD Escrow a demand letter requesting its
2 audit report within ten days from the date of the letter. The written demand warned the company of
3 potential penalties and possible suspension or revocation of its license if the report was not received
4 within the ten-day deadline.

5 JD Escrow did not submit its audit report within the ten-day deadline. The company's audit
6 report is now over 64 days late.

7 Based upon the foregoing, JD Escrow is conducting its escrow business in such an unsafe and
8 injurious manner as to render further operations hazardous to the public or to customers.

9 Financial Code section 17415 provides as follows:

10 (a) If the commissioner, as a result of any examination or from any
11 report made to him or her, shall find that any person subject to this
12 division is in an insolvent condition, is conducting escrow business in
13 such an unsafe or injurious manner as to render further operations
14 hazardous to the public or to customers, has failed to comply with the
15 provisions of Section 17212.1 or 17414.1, has permitted its tangible net
16 worth to be lower than the minimum required by law, has failed to
17 maintain its liquid assets in excess of current liabilities as set forth in
18 Section 17210, or has failed to comply with the bonding requirements
19 of Chapter 2 (commencing with Section 17200) of this division, the
20 commissioner may, by an order addressed to and served by registered
21 or certified mail or by personal service on such person and on any other
22 person having in his or her possession or control any escrowed funds,
23 trust funds or other property deposited in escrow with said person,
24 direct discontinuance of the disbursement of trust funds by the parties
25 or any of them, the receipt of trust funds, the delivery or recording of
26 documents received in escrow, or other business operations. No person
27 having in his or her possession any of these funds or documents shall
28 be liable for failure to comply with the order unless he or she has
received written notice of the order. Subject to subdivision (b), the
order shall remain in effect until set aside by the commissioner in
whole or in part, the person is the subject of an order for relief in
bankruptcy, or pursuant to Chapter 6 (commencing with Section
17621) of this division the commissioner has assumed possession of the
escrow agent.

(b) Within 15 days from the date of an order pursuant to subdivision
(a), the person may request a hearing under the Administrative
Procedure Act, Chapter 5 (commencing with Section 11500) of
Division 3 of Title 2 of the Government Code. Upon receipt of a
request, the matter shall be set for hearing to commence within 30 days

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after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

NOW, THEREFORE, GOOD CAUSE APPERING, it is hereby ORDERED, under Financial Code section 17415, that JD Escrow, Inc. immediately discontinue acceptance of any new escrow or joint control business, and of money, documents or other property in connection therewith. This order is to remain in full force and effect until further order of the Commissioner.

DATED: July 18, 2016
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division