

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

In the Matter of THE COMMISSIONER OF	)	Case No.: 963-1680
CORPORATIONS OF THE STATE OF	)	
CALIFORNIA,	)	ORDER SETTING ASIDE ORDER TO
	)	DISCONTINUE ESCROW ACTIVITIES
Complainant,	)	PURSUANT TO CALIFORNIA FINANCIAL
	)	CODE SECTION 17415
vs.	)	
	)	
LAUREL HILL ESCROW SERVICES, INC.	)	
	)	
	)	
Respondent	)	
	)	

TO: LAUREL HILL ESCROW SERVICES, INC.  
425 25<sup>th</sup> Street  
San Diego, CA 92102

NOW, THEREFORE, the California Corporations Commissioner having found LAUREL HILL ESCROW SERVICES, INC. as complied with bonding requirements of the Escrow Law, Financial Code Section 17202 as of December 6, 2010, the Order to Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued on August 17, 2010 is hereby set aside as of December 6, 2010.

/

/

/

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: Los Angeles, California  
February 2, 2011

Preston DuFauchard  
California Corporations Commissioner

By \_\_\_\_\_  
Kathleen R. Partin  
Special Administrator

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

In the matter of ) File No.: 963 1680  
)  
)  
LAUREL HILL ESCROW SERVICES, INC. )  
)  
a licensee under the Escrow Law )

---

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT  
TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: LAUREL HILL ESCROW SERVICES, INC.  
425 25<sup>th</sup> Street  
San Diego, CA 92102

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

LAUREL HILL ESCROW SERVICES, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective April 17, 2011, Bond No. 86056 issued by Nova Casualty Company in favor of LAUREL HILL ESCROW SERVICES, INC. expired and no replacement bond has been obtained.

Based upon the foregoing, LAUREL HILL ESCROW SERVICES, INC. is conducting escrow business in violation of Section 17202 of the Financial Code and is conducting business in

1 an unsafe and injurious manner as to render further operations hazardous to the public or to  
2 customers.

3 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
4 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California  
5 Financial Code, that LAUREL HILL ESCROW SERVICES, INC. immediately discontinue  
6 acceptance of any new escrow or joint control business, and of money, documents or other  
7 property in connection therewith.

8 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

9 Section 17415 of the Financial Code provides as follows:

10 (a) If the commissioner, as a result of any examination or from  
11 any report made to him or her, shall find that any person subject to this  
12 division is in an insolvent condition, is conducting business in such an  
13 unsafe or injurious manner as to render further operations hazardous to the  
14 public or to customers, has failed to comply with the provisions of Section  
15 17212.1 or 17414.1, has permitted its tangible net worth to be lower than  
16 the minimum required by law, has failed to maintain its liquid assets in  
17 excess of current liabilities as set forth in Section 17210, or has failed to  
18 comply with the bonding requirements of Chapter 2 (commencing with  
19 Section 17200) of this division, the commissioner may, by an order  
20 addressed to and served by registered or certified mail or by personal  
21 service on such person and on any other person having in his or her  
22 possession or control any escrowed funds, trust funds or other property  
23 deposited in escrow with said person, direct discontinuance of the  
24 disbursement of trust funds by the parties or any of them, the receipt of  
25 trust funds, the delivery or recording of documents received in escrow, or  
26 other business operations. No person having in his or her possession any of  
27 these funds or documents shall be liable for failure to comply with the  
28 order unless he or she has 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 has been adjudged bankrupt,  
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 any 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  
or Title 2 of the Government Code. Upon receipt of a request, the matter  
shall be set for hearing to commence within 30 days after such receipt  
unless the person subject to this division consents to a later date. If no  
hearing is requested 15 days after the mailing or service of such notice and  
none is ordered by the commissioner, the failure to request a hearing shall

1 constitute a waiver of the right to a hearing. Neither the request for a  
2 hearing nor the hearing itself shall stay the order issued by the  
3 commissioner under subdivision (a).

4 Dated: April 18, 2011  
5 Los Angeles, California

6 Preston DuFauchard  
7 California Corporations Commissioner

8  
9 By \_\_\_\_\_  
10 Kathleen R. Partin  
11 Special Administrator  
12 (213) 576-7595  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

6 Attorneys for Complainant  
7

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) File No.: 963-1681  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ORDER BARRING MAXINE M. BEYE  
13 ) FROM EMPLOYMENT, MANAGEMENT OR  
Complainant, ) CONTROL OF ANY ESCROW AGENT  
14 )  
15 vs. )  
16 LAUREL HILL ESCROW SERVICES, INC. )  
and MAXINE M. BEYE, )  
17 )  
18 Respondents. )

19 The California Corporations Commissioner (“Commissioner”) finds that:

- 20 1. Respondent Laurel Hill Escrow Services, Inc. ("Laurel Hill") is an escrow agent  
21 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant  
22 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).  
23 Laurel Hill has its principal place of business at 425 25<sup>th</sup> Street, San Diego, California 92102.  
24 2. Respondent Maxine M. Beye ("Beye") is, and was at all times relevant herein, the  
25 president and sole shareholder of Laurel Hill.  
26 3. On February 11, 2009, the Commissioner, by and through his staff, commenced a  
27 regulatory examination of the books and records of Laurel Hill. The regulatory examination  
28 revealed that Laurel Hill, by and through Beye, had made numerous unauthorized disbursements

1 from escrows in violation of Financial Code section 17414(a)(1) and California Code of Regulations,  
2 title 10, sections 1738 and 1738.2 and had also been taking early escrow fees in violation of  
3 Financial Code sections 17414(a)(1), 17420 and 17421. The regulatory examination also disclosed  
4 that Laurel Hill (i) had failed to maintain its general account books and records since December 31,  
5 2008 in violation of Financial Code Section 17404 and California Code of Regulations, title 10,  
6 sections 1732 and 1732.3; (ii) was allowing persons who had not been reported to the Department  
7 and/or fingerprinted to participate in the business of Laurel Hill in violation of Financial Code  
8 sections 17414.1 and 17419; and (iii) failed to meet the liquid asset and tangible net worth  
9 requirements of Financial Code section 17210.

10 4. The escrows that Respondents made unauthorized disbursements and/or took early  
11 escrow fees are described as follows:

12 a. On December 26, 2008, in escrow number 9061, Respondents made an  
13 unauthorized disbursement of trust funds to Empress Investments, Inc., an affiliate of Laurel Hill, via  
14 check number 1329 in the amount of \$1,500.00 in violation of Financial Code section 17414(a)(1)  
15 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
16 caused by this unauthorized disbursement was finally cured on March 19, 2009, but not before  
17 Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be  
18 prepared trust receipt number 338 showing the sum of \$1,500.00 having been deposited into the trust  
19 account on March 13, 2009 to repay the unauthorized disbursement, and then depositing such funds  
20 into the Laurel Hill general account.

21 b. On January 14, 2009, in escrow number 5973, Respondents disbursed \$500.00  
22 in unauthorized escrow cancellation fees to Laurel Hill in violation of Financial Code sections  
23 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
24 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on  
25 March 19, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by  
26 preparing and/or causing to be prepared trust receipt numbers 16817 and 16833 showing funds  
27 having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively,  
28

1 to repay the unauthorized cancelation fees, and then depositing such funds into the Laurel Hill  
2 general account.

3 c. On January 15, 2009, in escrow number 6469, Respondents made an  
4 unauthorized disbursement of trust funds to Empress Investments, Inc. via check number 40483 in  
5 the amount of \$950.00 in violation of Financial Code section 17414(a)(1) and California Code of  
6 Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
7 unauthorized disbursement was cured on March 19, 2009 when Respondents deposited \$950.00 into  
8 the trust account.

9 d. On January 29, 2009, in escrow number 6484, Respondents made an  
10 unauthorized disbursement of trust funds to Home Bank of California via trust check number 40497  
11 in the amount of \$3,602.92 in violation of Financial Code section 17414(a)(1) and California Code  
12 of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
13 unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also  
14 violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt  
15 numbers 16816 and 16833 showing the funds having been deposited into the trust account on  
16 February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized disbursement, and  
17 then depositing such funds into the Laurel Hill general account.

18 e. On January 29, 2009, in escrow number 6484, Respondents made an  
19 unauthorized disbursement of trust funds to AT&T to pay the telephone bill of Laurel Hill via trust  
20 check number 40498 in the amount of \$261.93 in violation of Financial Code section 17414(a)(1)  
21 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
22 caused by this unauthorized disbursement was finally cured on March 23, 2009, but not before  
23 Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be  
24 prepared trust receipt numbers 16816 and 16833 showing the funds having been deposited into the  
25 trust account on February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized  
26 disbursement, and then depositing such funds into the Laurel Hill general account.

27 f. On January 29, 2009, in escrow number 6484, Respondents made an  
28 unauthorized disbursement of trust funds to Joege Arvizu, an employee of Empress Investments, Inc,



1 via trust check number 40500 in the amount of \$600.00 in violation of Financial Code section  
2 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust  
3 account shortage caused by this unauthorized disbursement was finally cured on March 19, 2009, but  
4 not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or  
5 causing to be prepared trust receipt numbers 16815 and 16834 showing the sum of \$600.00 having  
6 been deposited into the trust account on February 12, 2009 and March 13, 2009, respectively, and  
7 then depositing such funds into the Laurel Hill general account.

8 g. On January 29, 2009, in escrow number 6484, Respondents made an  
9 unauthorized disbursement of trust funds to Rosio Rico, one of Beye’s caretakers, via check number  
10 40501 in the amount of \$734.00 in violation of Financial Code section 17414(a)(1) and California  
11 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
12 unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also  
13 violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt  
14 numbers 16816 and 16833 showing the funds having been deposited into the trust account on  
15 February 11, 2009 and March 13, 2009, respectively, and then depositing such funds into the Laurel  
16 Hill general account.

17 h. On January 31, 2009, Respondents, in order to cover up the debit balance in  
18 Escrow number 6484 caused by the unauthorized disbursements described in paragraphs 1 -4 above  
19 when the deposit was returned in full to the buyer, re-posted the unauthorized disbursements to  
20 escrow numbers 5873 and 6487 in violation of Financial Code section 17414(a)(2).

21 i. On February 19, 2009, in escrow number 6487, Respondents made an  
22 unauthorized disbursement of trust funds to Ila Benz, an employee of Laurel Hill, via check number  
23 40522 in the amount of \$40.00 in violation of Financial Code section 17414(a)(1) and California  
24 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
25 unauthorized disbursement was cured on April 3, 2009 when Respondents deposited \$40.00 into the  
26 trust account.

27 j. On January 28, 2009, in escrow number 5674, Respondents disbursed \$500.00  
28 in unauthorized cancelation fees to Laurel Hill in violation of Financial Code section 17414(a)(1)and

1 California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
2 caused by this unauthorized disbursement was cured on March 19, 2009 when Respondents  
3 deposited \$500.00 into the trust account.

4 k. On November 28, 2008, in escrow number 5687, Respondents disbursed  
5 \$13.93 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code  
6 sections 17414(a)(1) ), 17420 and 17421 and California Code of Regulations, title 10, sections 1738  
7 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on  
8 March 23, 2009 when Respondents deposited \$13. 93 into the trust account.

9 l. On July 14, 2008 and December 23, 2008, in escrow number 6430,  
10 Respondents disbursed \$500.00 and \$11.00, respectively, in unauthorized and unearned escrow fees  
11 to Laurel Hill in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California  
12 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by these  
13 unauthorized disbursements had not been cured as of April 22, 2009.

14 m. On July 31, 2008, August 29, 2008 and September 15, 2008, in escrow  
15 number 6433, Respondents disbursed \$2,800.00, \$500.00 and \$850.00, respectively, in escrow fees  
16 to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421  
17 and California Code of Regulations, title 10, sections 1738 and 1738.2.

18 n. On September 30, 2008, in escrow number 6437, Respondents disbursed  
19 \$3,200.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
20 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
21 1738.2. Thereafter, on December 15, 2008, January 15, 2009 and March 5, 2009, Respondents  
22 over-disbursed escrow fees to Laurel Hill in the amounts of disbursed \$25.00, \$200.00 and  
23 \$1,800.00, respectively, in violation of Financial Code section 17414(a)(1) and California Code of  
24 Regulations, title 10, sections 1738 and 1738.2. The \$2,025.00 trust account shortage caused by  
25 these unauthorized disbursements had not been cured as of April 22, 2009.

26 o. On July 30, 2008, August 15, 2008, August 18, 2008, and August 29, 2008, in  
27 escrow number 6438, Respondents disbursed \$450.00, \$945.00, \$100.00 and \$50.00, respectively, in  
28 escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420

1 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. On August 29,  
2 2008 and September 30, 2008, Respondents over-disbursed escrow fees to Laurel Hill in the  
3 amounts of \$40.00 and \$40.00, respectively, in violation of Financial Code section 17414(a)(1) and  
4 California Code of Regulations, title 10, sections 1738 and 1738.2. The \$80.00 trust account  
5 shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

6 p. On September 26, 2008, in escrow number 6461, Respondents disbursed  
7 \$1,558.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
8 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
9 1738.2.

10 q. On November 4, 2008, in escrow number 6461, Respondents made an  
11 unauthorized disbursement of trust funds to Laurel Hill in the amount of \$10.00 via trust check  
12 number 45119 when Respondents caused outstanding trust check number 45091 payable to the City  
13 of San Diego Water Department to be canceled and re-issued to Laurel Hill in violation of Financial  
14 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.  
15 The \$10.00 trust account shortage caused by these unauthorized disbursements had not been cured as  
16 of April 22, 2009.

17 r. On October 15, 2008 and October 23, 2008, in escrow number 6468,  
18 Respondents disbursed \$1,170.00 and \$50.00, respectively, in escrow fees to Laurel Hill prior to  
19 closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code  
20 of Regulations, title 10, sections 1738 and 1738.2.

21 s. On January 15, 2009, in escrow number 6472, Respondents disbursed \$800.00  
22 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1),  
23 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

24 t. On December 15, 2008, in escrow number 6474, Respondents disbursed  
25 \$2,235.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
26 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
27 1738.2. Thereafter, on February 16, 2009, Respondents over-disbursed escrow fees to Laurel Hill in  
28 the amount of \$1,660.00 in violation of Financial Code section 17414(a)(1) and California Code of

1 Regulations, title 10, sections 1738 and 1738.2. The \$1,660.00 trust account shortage caused by this  
2 unauthorized disbursement had not been cured as of April 22, 2009.

3 u. On December 31, 2008, in escrow number 6479, Respondents disbursed  
4 \$930.00 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code  
5 sections 17414(a)(1) ), 17420 and 17421 and California Code of Regulations, title 10, sections 1738  
6 and 1738.2. The trust account shortage caused by this unauthorized disbursement had not been  
7 cured as of April 22, 2009.

8 v. On December 31, 2008, in escrow number 6481, Respondents disbursed  
9 \$3,275.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
10 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
11 1738.2.

12 w. On January 15, 2009, in escrow number 6482, Respondents disbursed \$50.00  
13 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1),  
14 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

15 5. On November 3, 2010, the Commissioner, by and through his staff, conducted a  
16 follow up visit to Laurel Hill. During the follow up, Beye informed the examiner that she had  
17 “borrowed” \$38,000.00 from escrow number 6543 to pay the operating expenses of Laurel Hill. A  
18 review of the escrow documents provided by Beye to the examiner disclosed that commencing on  
19 June 18, 2010 and continuing through September 16, 2010, Respondents made eighteen  
20 unauthorized disbursements to Laurel Hill and Empress Investment totaling \$43,818.10 in violation  
21 of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738  
22 and 1738.2. These unauthorized disbursements caused a trust account shortage of \$41,474.10, which  
23 has yet to be cured, after taking into account earned escrow fees in the amount of \$2,344.00.

24 6. A demand was made to Respondents to perform a complete audit of the trust account  
25 books and records of Laurel Hill and replace all unauthorized disbursements made to Respondents.  
26 To date, no such audit or replacement of the unauthorized disbursements has occurred.

27 7. The above described violations constitute grounds under Financial Code section  
28 17423 to bar a person from any position of employment, management or control of any escrow

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

agent.

8. On May 16, 2011, the Commissioner issued a Notice of Intention to Issue Order Revoking Escrow Agent’s License and to Issue an Order Pursuant to California Financial Code Section 17423 (Bar From Employment, Management or Control of Any Escrow Agent), Accusation and accompanying documents against Laurel Hill Escrow Services, Inc. and Maxine M. Beye based upon the above. Beye was served on May 18, 2011. The Department has received no request for a hearing from Beye and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Maxine M. Beye is hereby barred from any position of employment, management or control of any escrow agent. This order is effective as of the date hereof.

Dated: June 6, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner

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

6 Attorneys for Complainant  
7

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

11 In the Matter of the Accusation of THE ) File No.: 963-1681  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ORDER REVOKING ESCROW AGENT’S  
13 ) LICENSE  
Complainant, )  
14 )  
15 vs. )  
16 LAUREL HILL ESCROW SERVICES, INC. )  
and MAXINE M. BEYE, )  
17 )  
18 Respondents. )

19 The California Corporations Commissioner (“Commissioner”) finds that:

- 20 1. Respondent Laurel Hill Escrow Services, Inc. ("Laurel Hill") is an escrow agent  
21 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant  
22 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).  
23 Laurel Hill has its principal place of business at 425 25<sup>th</sup> Street, San Diego, California 92102.  
24 2. Respondent Maxine M. Beye ("Beye") is, and was at all times relevant herein, the  
25 president and sole shareholder of Laurel Hill.  
26 3. On February 11, 2009, the Commissioner, by and through his staff, commenced a  
27 regulatory examination of the books and records of Laurel Hill. The regulatory examination  
28 revealed that Laurel Hill, by and through Beye, had made numerous unauthorized disbursements

1 from escrows in violation of Financial Code section 17414(a)(1) and California Code of Regulations,  
2 title 10, sections 1738 and 1738.2 and had also been taking early escrow fees in violation of  
3 Financial Code sections 17414(a)(1), 17420 and 17421. The regulatory examination also disclosed  
4 that Laurel Hill (i) had failed to maintain its general account books and records since December 31,  
5 2008 in violation of Financial Code Section 17404 and California Code of Regulations, title 10,  
6 sections 1732 and 1732.3; (ii) was allowing persons who had not been reported to the Department  
7 and/or fingerprinted to participate in the business of Laurel Hill in violation of Financial Code  
8 sections 17414.1 and 17419; and (iii) failed to meet the liquid asset and tangible net worth  
9 requirements of Financial Code section 17210.

10 4. The escrows that Respondents made unauthorized disbursements and/or took early  
11 escrow fees are described as follows:

12 a. On December 26, 2008, in escrow number 9061, Respondents made an  
13 unauthorized disbursement of trust funds to Empress Investments, Inc., an affiliate of Laurel Hill, via  
14 check number 1329 in the amount of \$1,500.00 in violation of Financial Code section 17414(a)(1)  
15 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
16 caused by this unauthorized disbursement was finally cured on March 19, 2009, but not before  
17 Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be  
18 prepared trust receipt number 338 showing the sum of \$1,500.00 having been deposited into the trust  
19 account on March 13, 2009 to repay the unauthorized disbursement, and then depositing such funds  
20 into the Laurel Hill general account.

21 b. On January 14, 2009, in escrow number 5973, Respondents disbursed \$500.00  
22 in unauthorized escrow cancellation fees to Laurel Hill in violation of Financial Code sections  
23 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
24 1738.2. The trust account shortage caused by this unauthorized disbursement was finally cured on  
25 March 19, 2009, but not before Respondents also violated Financial Code section 17414(a)(2) by  
26 preparing and/or causing to be prepared trust receipt numbers 16817 and 16833 showing funds  
27 having been deposited into the trust account on February 11, 2009 and March 13, 2009, respectively,  
28

1 to repay the unauthorized cancelation fees, and then depositing such funds into the Laurel Hill  
2 general account.

3 c. On January 15, 2009, in escrow number 6469, Respondents made an  
4 unauthorized disbursement of trust funds to Empress Investments, Inc. via check number 40483 in  
5 the amount of \$950.00 in violation of Financial Code section 17414(a)(1) and California Code of  
6 Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
7 unauthorized disbursement was cured on March 19, 2009 when Respondents deposited \$950.00 into  
8 the trust account.

9 d. On January 29, 2009, in escrow number 6484, Respondents made an  
10 unauthorized disbursement of trust funds to Home Bank of California via trust check number 40497  
11 in the amount of \$3,602.92 in violation of Financial Code section 17414(a)(1) and California Code  
12 of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
13 unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also  
14 violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt  
15 numbers 16816 and 16833 showing the funds having been deposited into the trust account on  
16 February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized disbursement, and  
17 then depositing such funds into the Laurel Hill general account.

18 e. On January 29, 2009, in escrow number 6484, Respondents made an  
19 unauthorized disbursement of trust funds to AT&T to pay the telephone bill of Laurel Hill via trust  
20 check number 40498 in the amount of \$261.93 in violation of Financial Code section 17414(a)(1)  
21 and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
22 caused by this unauthorized disbursement was finally cured on March 23, 2009, but not before  
23 Respondents also violated Financial Code section 17414(a)(2) by preparing and/or causing to be  
24 prepared trust receipt numbers 16816 and 16833 showing the funds having been deposited into the  
25 trust account on February 11, 2009 and March 13, 2009, respectively, to repay the unauthorized  
26 disbursement, and then depositing such funds into the Laurel Hill general account.

27 f. On January 29, 2009, in escrow number 6484, Respondents made an  
28 unauthorized disbursement of trust funds to Joege Arvizu, an employee of Empress Investments, Inc,



1 via trust check number 40500 in the amount of \$600.00 in violation of Financial Code section  
2 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust  
3 account shortage caused by this unauthorized disbursement was finally cured on March 19, 2009, but  
4 not before Respondents also violated Financial Code section 17414(a)(2) by preparing and/or  
5 causing to be prepared trust receipt numbers 16815 and 16834 showing the sum of \$600.00 having  
6 been deposited into the trust account on February 12, 2009 and March 13, 2009, respectively, and  
7 then depositing such funds into the Laurel Hill general account.

8 g. On January 29, 2009, in escrow number 6484, Respondents made an  
9 unauthorized disbursement of trust funds to Rosio Rico, one of Beye’s caretakers, via check number  
10 40501 in the amount of \$734.00 in violation of Financial Code section 17414(a)(1) and California  
11 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
12 unauthorized disbursement was finally cured on March 23, 2009, but not before Respondents also  
13 violated Financial Code section 17414(a)(2) by preparing and/or causing to be prepared trust receipt  
14 numbers 16816 and 16833 showing the funds having been deposited into the trust account on  
15 February 11, 2009 and March 13, 2009, respectively, and then depositing such funds into the Laurel  
16 Hill general account.

17 h. On January 31, 2009, Respondents, in order to cover up the debit balance in  
18 Escrow number 6484 caused by the unauthorized disbursements described in paragraphs 1 -4 above  
19 when the deposit was returned in full to the buyer, re-posted the unauthorized disbursements to  
20 escrow numbers 5873 and 6487 in violation of Financial Code section 17414(a)(2).

21 i. On February 19, 2009, in escrow number 6487, Respondents made an  
22 unauthorized disbursement of trust funds to Ila Benz, an employee of Laurel Hill, via check number  
23 40522 in the amount of \$40.00 in violation of Financial Code section 17414(a)(1) and California  
24 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by this  
25 unauthorized disbursement was cured on April 3, 2009 when Respondents deposited \$40.00 into the  
26 trust account.

27 j. On January 28, 2009, in escrow number 5674, Respondents disbursed \$500.00  
28 in unauthorized cancelation fees to Laurel Hill in violation of Financial Code section 17414(a)(1)and

1 California Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage  
2 caused by this unauthorized disbursement was cured on March 19, 2009 when Respondents  
3 deposited \$500.00 into the trust account.

4 k. On November 28, 2008, in escrow number 5687, Respondents disbursed  
5 \$13.93 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code  
6 sections 17414(a)(1) ), 17420 and 17421 and California Code of Regulations, title 10, sections 1738  
7 and 1738.2. The trust account shortage caused by this unauthorized disbursement was cured on  
8 March 23, 2009 when Respondents deposited \$13. 93 into the trust account.

9 l. On July 14, 2008 and December 23, 2008, in escrow number 6430,  
10 Respondents disbursed \$500.00 and \$11.00, respectively, in unauthorized and unearned escrow fees  
11 to Laurel Hill in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California  
12 Code of Regulations, title 10, sections 1738 and 1738.2. The trust account shortage caused by these  
13 unauthorized disbursements had not been cured as of April 22, 2009.

14 m. On July 31, 2008, August 29, 2008 and September 15, 2008, in escrow  
15 number 6433, Respondents disbursed \$2,800.00, \$500.00 and \$850.00, respectively, in escrow fees  
16 to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421  
17 and California Code of Regulations, title 10, sections 1738 and 1738.2.

18 n. On September 30, 2008, in escrow number 6437, Respondents disbursed  
19 \$3,200.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
20 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
21 1738.2. Thereafter, on December 15, 2008, January 15, 2009 and March 5, 2009, Respondents  
22 over-disbursed escrow fees to Laurel Hill in the amounts of disbursed \$25.00, \$200.00 and  
23 \$1,800.00, respectively, in violation of Financial Code section 17414(a)(1) and California Code of  
24 Regulations, title 10, sections 1738 and 1738.2. The \$2,025.00 trust account shortage caused by  
25 these unauthorized disbursements had not been cured as of April 22, 2009.

26 o. On July 30, 2008, August 15, 2008, August 18, 2008, and August 29, 2008, in  
27 escrow number 6438, Respondents disbursed \$450.00, \$945.00, \$100.00 and \$50.00, respectively, in  
28 escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1), 17420

1 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2. On August 29,  
2 2008 and September 30, 2008, Respondents over-disbursed escrow fees to Laurel Hill in the  
3 amounts of \$40.00 and \$40.00, respectively, in violation of Financial Code section 17414(a)(1) and  
4 California Code of Regulations, title 10, sections 1738 and 1738.2. The \$80.00 trust account  
5 shortage caused by these unauthorized disbursements had not been cured as of April 22, 2009.

6 p. On September 26, 2008, in escrow number 6461, Respondents disbursed  
7 \$1,558.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
8 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
9 1738.2.

10 q. On November 4, 2008, in escrow number 6461, Respondents made an  
11 unauthorized disbursement of trust funds to Laurel Hill in the amount of \$10.00 via trust check  
12 number 45119 when Respondents caused outstanding trust check number 45091 payable to the City  
13 of San Diego Water Department to be canceled and re-issued to Laurel Hill in violation of Financial  
14 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.  
15 The \$10.00 trust account shortage caused by these unauthorized disbursements had not been cured as  
16 of April 22, 2009.

17 r. On October 15, 2008 and October 23, 2008, in escrow number 6468,  
18 Respondents disbursed \$1,170.00 and \$50.00, respectively, in escrow fees to Laurel Hill prior to  
19 closing in violation of Financial Code sections 17414(a)(1), 17420 and 17421 and California Code  
20 of Regulations, title 10, sections 1738 and 1738.2.

21 s. On January 15, 2009, in escrow number 6472, Respondents disbursed \$800.00  
22 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1),  
23 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

24 t. On December 15, 2008, in escrow number 6474, Respondents disbursed  
25 \$2,235.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
26 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
27 1738.2. Thereafter, on February 16, 2009, Respondents over-disbursed escrow fees to Laurel Hill in  
28 the amount of \$1,660.00 in violation of Financial Code section 17414(a)(1) and California Code of

1 Regulations, title 10, sections 1738 and 1738.2. The \$1,660.00 trust account shortage caused by this  
2 unauthorized disbursement had not been cured as of April 22, 2009.

3 u. On December 31, 2008, in escrow number 6479, Respondents disbursed  
4 \$930.00 in unauthorized and unearned escrow fees to Laurel Hill in violation of Financial Code  
5 sections 17414(a)(1) ), 17420 and 17421 and California Code of Regulations, title 10, sections 1738  
6 and 1738.2. The trust account shortage caused by this unauthorized disbursement had not been  
7 cured as of April 22, 2009.

8 v. On December 31, 2008, in escrow number 6481, Respondents disbursed  
9 \$3,275.00 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections  
10 17414(a)(1), 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and  
11 1738.2.

12 w. On January 15, 2009, in escrow number 6482, Respondents disbursed \$50.00  
13 in escrow fees to Laurel Hill prior to closing in violation of Financial Code sections 17414(a)(1),  
14 17420 and 17421 and California Code of Regulations, title 10, sections 1738 and 1738.2.

15 5. On November 3, 2010, the Commissioner, by and through his staff, conducted a  
16 follow up visit to Laurel Hill. During the follow up, Beye informed the examiner that she had  
17 “borrowed” \$38,000.00 from escrow number 6543 to pay the operating expenses of Laurel Hill. A  
18 review of the escrow documents provided by Beye to the examiner disclosed that commencing on  
19 June 18, 2010 and continuing through September 16, 2010, Respondents made eighteen  
20 unauthorized disbursements to Laurel Hill and Empress Investment totaling \$43,818.10 in violation  
21 of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738  
22 and 1738.2. These unauthorized disbursements caused a trust account shortage of \$41,474.10, which  
23 has yet to be cured, after taking into account earned escrow fees in the amount of \$2,344.00.

24 6. A demand was made to Respondents to perform a complete audit of the trust account  
25 books and records of Laurel Hill and replace all unauthorized disbursements made to Respondents.  
26 To date, no such audit or replacement of the unauthorized disbursements has occurred.

27 7. The above-described violations constitute grounds under Financial Code section  
28 17608 to revoke the escrow agent’s license.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

8. On May 16, 2011, the Commissioner issued a Notice of Intention to Issue Order Revoking Escrow Agent’s License and to Issue an Order Pursuant to California Financial Code Section 17423 (Bar From Employment, Management or Control of Any Escrow Agent), Accusation and accompanying documents against Laurel Hill Escrow Services, Inc. and Maxine M. Beye based upon the above. Laurel Hill was served on May 18, 2011. The Department has received no request for a hearing from Laurel Hill and the time to request a hearing has expired.

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

Dated: June 6, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner