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9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:)
13 THE COMMISSIONER OF BUSINESS) ESCROW LICENSE NO.: 96DBO-36059
OVERSIGHT,) ORDER OF FORFEITURE
14 Complainant,)
15 v.)
16 LEVEL ONE ESCROW, INC.)
17 Respondent.)
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21 The Complainant, the Commissioner of The Department of Business Oversight
22 (“Commissioner”), is informed and believes and based upon such information and belief, alleges and
23 charges as follows:

24 1. Level One Escrow, Inc. (“Level One Escrow”) is an escrow agent with its main office
25 located at 5740 Fleet Street, Suite #125, Carlsbad, California 92008. Level One Escrow holds an
26 escrow license no. 96DBO-36059 issued by the Commissioner pursuant to the Escrow Law of the
27 State of California (Financial Code section 17000 et seq.).

28 2. The Commissioner has jurisdiction over the licensing and regulation of escrow
agents. Financial Code section 7405 (a) provides that “the business, accounts and records of every

1 person performing as an escrow agent are subject to inspection and examination by the
2 Commissioner at any time without prior notice....” Financial Code section 17405 (c) states that
3 “The commissioner shall conduct an examination of each licensed escrow agent as described in
4 subdivision (a) as often as the commissioner deems necessary and appropriate....”

5 3. Pursuant to Financial Code section 17405 (d), “Notwithstanding subdivision (c), the
6 commissioner may conduct an indoctrination or preliminary examination, or both, under this section
7 of any new licensee within one year of the issuance of the license under this division, and an
8 examination described in subdivision (a) within two years of the issuance of the license under this
9 division.”

10 4. Under Financial Code section 17213.1. (a), an escrow agent may not remove its
11 business from the premises or address shown on its license without the prior approval of the
12 Commissioner. Any notice of any intended change of location must be provided to the
13 Commissioner not less than 30 days prior to the date of the intended change of location. The
14 Commissioner may waive the 30-day notice requirement when the move is necessitated by “fire,
15 emergency, or other catastrophe.”

16 5. On or about May 8, 2015, Level One Escrow moved its business location from its
17 licensed location at 5740 Fleet Street, Suite # 125, Carlsbad, California 92008 (“Carlsbad address”)
18 to 1900 MacArthur Blvd, Suite # 300 Irvine, California 92612 (“Irvine address”), without first
19 notifying the Commissioner.

20 6. On or about October 13, 2015, the Commissioner’s staff attempted to conduct a
21 preliminary examination of Level One Escrow, Inc., at the Carlsbad office but could not locate
22 “Suite #125.” The Commissioner’s staff then visited “Ticor Title Co.,” a company located in “Suite
23 140,” at the Carlsbad address to ascertain the correct suite number for Level One Escrow. The
24 receptionist at Ticor Title Co. told the Commissioner’s staff that “Suite #125” did not exist and in
25 fact, that she had never heard of Level One Escrow. Thereafter, the Commissioner’s staff
26 telephoned Level One Escrow’s vice president, Heidi Birenbaum-Cassel (“Cassel”) to obtain Level
27 One’s current address. Cassel informed the Commissioner’s staff that Level One Escrow never
28 operated out of the Carlsbad address. Cassel then requested that the preliminary examination be

1 conducted on October 14, 2015 at its affiliate entity, Fidelity National Title Company's address
2 located also at the Irvine address.

3 7. On October 14, 2015, the Commissioner's staff met with Cassel at the Irvine address
4 to start the preliminary examination. During that meeting, Cassel informed the Commissioner's staff
5 that Level One Escrow had not started operations or opened any escrows. Cassel stated that "Suite
6 125" listed as Level One Escrow's address did not exist. Cassel stated that Level One Escrow
7 intended to partition Ticor Title Co.'s office located in "Suite 140" at the Carlsbad address to create
8 an office with "Suite 125" out of which Level One Escrow would operate. Cassel claimed that at
9 Ticor Title Co.'s staff were not aware of the plans to partition Ticor Title Co. to create a "Suite 125"
10 for Level One Escrow.

11 8. Following Cassel's meeting with the Commissioner's staff on October 14, 2015,
12 Level One Escrow sent a letter to the Commissioner dated October 14, 2015 notifying the
13 Commissioner of the change of its address from the Carlsbad address to the Irvine address.

14 9. Financial Code section 17213.2 provides in relevant part:

15 The commissioner may order a licensed escrow agent which opens a
16 branch office or changes its business location or locations without first
17 obtaining the approval of the commissioner to forfeit to the people of the
18 state a sum of up to one hundred dollars (\$100) for every day for the first
19 10 days and ten dollars (\$10) for every day thereafter during which the
20 branch office or changed location is maintained without authority.

21 10. The records maintained by the Department show that Level One Escrow removed its
22 business from the premises or address shown on its license without the prior approval of the
23 Commissioner. The change of location was not necessitated by "fire, emergency, or other
24 catastrophe." Level One Escrow failed to give at least 30 days' notice prior to the date of the
25 intended change of its location. At least 159 days elapsed from May 8, 2015 when Level One
26 Escrow changed its location without notice to the Commissioner, to October 14, 2105 when it gave
27 the required notice.

28 By reason of the foregoing, Level One Escrow has violated Financial Code section 17213.1
(a) by changing its address or location without first obtaining approval from the Commissioner.

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WHEREFORE, good cause showing, it is hereby ORDERED pursuant to Financial Code section 17213.2, that Level One Escrow Inc. forfeit to the people of the state:

- a) A sum of \$100.00 for every day for the first 10 days during which Level One Escrow changed its address without prior notice to the Commissioner for a total of \$1,000.00.
- b) A sum of \$10.00 for every day thereafter, totaling 149 days, during which Level One Escrow changed its location without authority for a total of \$1,490.00.

The total amount Level One Escrow, Inc. shall forfeit to the people of the state pursuant to Financial Code section 17213.2 for violations of Financial Code section 17213.1 (a) is \$2,490.00. Level One Escrow shall pay \$2,490.00 by cashier’s check made payable to “The Department of Business Oversight,” no later than 10 days from the date of this Order, and addressed to:

Uche L. Enenwali
Senior Counsel
Department of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, CA 90013

Dated: May 11, 2016
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division