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

10 In the Matter of THE CALIFORNIA) File No.: 963-1760
CORPORATIONS COMMISSIONER,)

11 Complainant,)

**ORDER TO DISCONTINUE ESCROW
ACTIVITIES PURSUANT TO FINANCIAL
CODE SECTION 17415**

12 v.)

13 MID-CITIES ESCROW, INC.,)

14 Respondent.)
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20 TO: MID-CITIES ESCROW, INC.
10890 Paramount Blvd.
21 Downey, California 90241
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23 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

24 MID-CITIES ESCROW, INC. (“MID-CITIES”) has a trust account shortage of at least \$25,000, in
25 violation of section 17414, subdivision (a)(1) of the Financial Code and California Code of
26 Regulations, title 10, sections 1738, 1738.1, and 1738.2.

27 Based upon the foregoing, MID-CITIES is conducting its escrow business in such an unsafe
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1 and injurious manner as to render further operations hazardous to the public or to customers.

2 Financial Code section 17415 provides as follows:

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

26 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
27 person may request a hearing under the Administrative Procedure Act,
28 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 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).

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NOW, THEREFORE, GOOD CAUSE APPEARING, it is hereby ORDERED, pursuant to the provisions of Financial Code section 17415, that MID-CITIES 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: January 17, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division