

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 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
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6 Attorneys for Complainant
7

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

11 In the Matter of the Statement of) File No.: 963-2373
Issues/Accusation of THE CALIFORNIA)
12 CORPORATIONS COMMISSIONER,) ORDER BARRING BETHSABE MORRIS
13 Complainant,) FROM ANY POSITION OF EMPLOYMENT,
14) MANAGEMENT OR CONTROL OF ANY
vs.) ESCROW AGENT
15)
16 MORRIS ESCROW, INC., CESAR DAVID)
ESTRADA, and BETHSABE E. MORRIS,)
17)
18 Respondents.)

19 The California Corporations Commissioner finds that:

- 20 1. Morris Escrow, Inc. (“Morris Escrow”) was at all times relevant to this matter an
21 escrow agent licensed by the California Corporations Commissioner ("Commissioner" or
22 "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code
23 Section 17000 et seq.). Morris Escrow had its principal place of business located at 1010 N. Central
24 Avenue, Suite 317, Glendale, California 91202.
25 2. Respondent Cesar David Estrada (“Estrada”) is, and was at all times relevant herein,
26 the president and sole shareholder of Morris Escrow.
27 3. On October 30, 2007, Morris Escrow filed an application for change of ownership
28 (hereinafter "application") with the Commissioner pursuant to the Escrow Law, in particular,

1 Financial Code Section 17213. The application identified Bethsabe Morris (“Morris”) as the new
2 president, secretary, treasurer, and sole shareholder and director of Morris Escrow. Morris had never
3 previously been employed in the independent escrow industry.

4 4. The application included a Statement of Identity and Questionnaire (“SIQ”) for
5 Morris. The SIQ at Question #5 specifically asked: “Have you ever been convicted of or pleaded
6 nolo contendere to a misdemeanor or felony other than traffic violations?” Morris answered “no”.
7 Morris signed the application and SIQ under penalty of perjury that all of the information submitted
8 in the application was true and correct.

9 5. The Commissioner, while reviewing the application discovered that Morris, on
10 December 20, 1990, had been convicted of misdemeanor theft under Penal Code section 484(a).
11 Theft is a crime involving moral turpitude, which is substantially related to the qualification,
12 functions and duties of a person engaged in the escrow business, and is also an offense identified in
13 subdivision (b) of Financial Code section 17414.1. Moreover, it is a violation of Financial Code
14 section 17702 to make any untrue statement of material fact in any application filed with the
15 Commissioner or omit any material fact required to be stated in any such application.

16 6. On April 8, 2008, Morris was asked to explain the conviction and why she had not
17 disclosed it on her SIQ. In response, Morris stated “[I]n a stationery store near the 134 freeway
18 while shopping, I placed something in my pocket, which I do not recall at this time, worth
19 approximately \$7.00. I forgot to pay. I had difficulty making myself understood and I was taken to
20 jail. While inside the jail on a tv monitor, I was asked some questions over the tv and was told that if
21 I pled guilty, the matter would be finished. I did not have an interpreter, did not have an attorney,
22 did not go to Court and did not really understand what was going on. . . .”

23 7. The Commissioner was unable to obtain the criminal complaint filed against Morris
24 in the above-described matter, as the majority of the records in the case have been purged. However,
25 the available court records disclosed that Morris made further misrepresentations to the
26 Commissioner in her explanation regarding the conviction in that Morris did make court appearances
27 and was represented by counsel when she entered into her plea agreement. Morris never offered an
28 explanation as to why she did not disclose the conviction on her SIQ as requested.

1 8. Additionally, a letter to Morris Escrow regarding the application dated April 23, 2008
2 requesting a financial statement dated within 60 days of the date of the application and written
3 confirmation from Escrow Agent’s Fidelity Corporation (“EAFC”) that each shareholder, director,
4 officer and employee of Morris Escrow had filed a completed application for certification with
5 EAFC has gone unanswered.

6 9. On August 12, 2009, the Commissioner issued a Notice of Intention to Issue (1)
7 Order Denying Change of Ownership Application, (2) Order Revoking Escrow Agent’s License, and
8 (3) Orders Pursuant to California Financial Code Section 17423 (Bar from Employment,
9 Management or Control of Any Escrow Agent), Accusation and accompanying documents against
10 Morris Escrow, Estrada and Morris. Morris was served with those documents on September 30,
11 2009. The Department has not received any request for a hearing from Morris and the time to
12 request a hearing has expired.

13 10. The above-described violations constitute grounds under Financial Code section
14 17423 to bar a person from any position of employment, management or control of any escrow
15 agent.

16 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Bethsabe
17 Morris is barred from any position of employment, management or control of any escrow agent.
18 This order is effective as of the date hereof.

19 Dated: October 20, 2009
20 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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22 By _____
23 Alan S. Weinger
24 Deputy Commissioner
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