

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
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant

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

11 In the Matter of THE CALIFORNIA) Case No.: 963-2373
CORPORATIONS COMMISSIONER,)
12)
Complainant,) DEMAND FOR AND ORDER TAKING
13) POSSESSION OF THE TRUST FUNDS AND
vs.) ESCROW RECORDS OF MORRIS ESCROW,
14) INC. PURSUANT TO CALIFORNIA
MORRIS ESCROW, INC.,) FINANCIAL CODE SECTION 17621
15)
Respondent.)
16)
17)
18)

19 TO: MORRIS ESCROW, INC.,
20 1010 n. Central Avenue, Suite 317
Glendale, California 91202
21
COMERICA BANK
22 2321 Rosecrans Avenue, Suite 5000
23 El Segundo, California 90245

24 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
25 ("Commissioner"), has found that Morris Escrow, Inc. ("Morris Escrow"), an escrow agent subject to
26 the Escrow Law (California Financial Code sections 17000 et seq.), is unable to remedy certain
27 conditions set forth in the Notice and Summary of Findings Pursuant to section 17621 of the
28 California Financial Code issued by the Commissioner on November 2, 2009; and

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WHEREAS, Morris Escrow is conducting escrow business in an unsafe, injurious and unauthorized manner, so as to render further operations hazardous to the public and to customers in that:

(a) Morris Escrow has engaged in unauthorized and unsafe practices by (i) transferring or otherwise disbursing trust funds to its general account and/or to its president, Cesar David Estrada ("Estrada") in violation of Financial Code sections 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2, and (ii) failing to reconcile the trust account since its licensure on January 23, 2007 in violation of Financial Code section 17404 and California Code of Regulations, title 10, section 1732.2 thereby causing adjusting items to exist creating additional shortages in the trust account in violation of California Code of Regulations, title 10, section 1738.1.

(b) Morris Escrow by engaging in such unauthorized and unsafe practices has caused a shortage to exist in the trust account of at least \$84,323.22 as of October 6, 2009 in violation of California Code of Regulations, title 10, section 1738.1.

(c) As of October 28, 2009, the trust account of Morris Escrow was overdrawn by at least \$60.00.

NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the Commissioner, effective this date, hereby demands and takes possession of the trust accounts of Morris Escrow, Inc. and all bank and escrow records pertinent thereto, and will retain possession thereof until the Commissioner appoints a conservator, or until its affairs are finally liquidated as provided for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent and upon such conditions as the Commissioner may prescribe.

This Demand For and Order Taking Possession is effective as of the date hereof.

Dated: November 2, 2009
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner