

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

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

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11 In the Matter of THE CALIFORNIA) File No.: 963-2373
CORPORATIONS COMMISSIONER,)
12)
13 Complainant,) ORDER TERMINATING
14 vs.) CONSERVATORSHIP
15 MORRIS ESCROW, INC.)
16 Respondent.)
17)

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19 The California Corporations Commissioner finds as follows:

- 20 1. Morris Escrow, Inc., a California corporation (" Morris Escrow"), was an escrow
21 agent licensed by the California Corporations Commissioner ("Commissioner"), pursuant to the
22 Escrow Law of the State of California (Financial Code §§ 17000, et seq.).
23 2. According to the documents filed with the Commissioner by Morris Escrow, Cesar
24 David Estrada ("Estrada") was the president and owner of Morris Escrow.
25 3. For reasons stated in the documents listed below and dated November 2, 2009, which
26 included a trust account shortage and failure to maintain books and records, the Commissioner took
27 possession of the trust accounts and all bank and escrow records of Morris Escrow and appointed
28 Mona Elshiekh as Conservator over Morris Escrow by issuing the following documents:

1 A. Demand For and Order Taking Possession of the Trust Funds and Escrow Records of
2 Morris Escrow, Inc. Pursuant to California Financial Code Section 17621, and

3 B. Order Appointing Mona Elsheikh as Conservator Pursuant to Financial Code Section
4 17630, and

5 C. Notice and Summary of Findings Pursuant to Financial Code Section 17621.

6 4. Pursuant to both the Order Taking Possession and the Conservatorship Order, all
7 persons, including Estrada, who had possession, custody or control of any of the trust funds and
8 bank account and escrow records of Morris Escrow, became obligated to turn over to the
9 Conservator such trust funds and records.

10 5. The Conservator took possession of the trust funds and bank account and escrow
11 records of Morris Escrow, and, pursuant to Financial Code Section 17630, took actions to conserve
12 those trust funds pending further disposition of the trust affairs.

13 6. On January 27, 2010, the Commissioner substituted Peter A. Davidson of the law
14 firm of Ervin, Cohen & Jessup LLP as conservator in place and stead of Mona Elsheikh, and
15 pursuant to said Order took possession of the trust funds and bank and escrow records in the
16 possession of Elsheikh.

17 7. On September 15, 2009, the Commissioner issued an order revoking the escrow
18 agent’s license.

19 8. The Conservator has conducted a reconciliation of the escrow trust account(s) of
20 Morris Escrow and obtained the approval of the Commissioner to make a distribution of the Morris
21 Escrow trust funds, including funds paid by Escrow Agent’s Fidelity Corporation (“EAFC”)
22 pursuant to a proof of loss claim settlement.

23 9. The Conservator has distributed such escrow trust funds to the extent that the
24 person(s) could be located and returned the remaining funds for unknown claimants to EAFC.

25 10. The Conservator has returned the escrow records to the Commissioner for retention
26 for the period required by California Code of Regulations, title 10, section 1737.

27 11. The Commissioner is satisfied that termination of the conservatorship may be done
28 safely and is in the public interest.

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12. The Conservator has provided to the Commissioner a final report of the conservatorship.

Now, good cause appearing, IT IS HEREBY ORDERED that:

1. The conservatorship is hereby terminated pursuant to California Financial Code Section 17634.

2. The Commissioner hereby ratifies those actions taken by the Conservators with respect to the trust account(s) and bank and escrow records, and the Conservators, the State of California and each of their respective employees and agents is hereby released from any and all obligation and/or liability arising out of or relating to the conservatorship of Morris Escrow.

Dated: August 26, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner