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California Corporations Commissioner
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7 Attorneys for Complainant
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Statement of) File No.: 963-2486
Issues/Accusation of THE CALIFORNIA)
13 CORPORATIONS COMMISSIONER,) STATEMENT OF ISSUES/ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 ONLINESCROW, INC. and BARBARA LYNN)
BROWN aka BOBBI BROWN,)
18)
19 Respondents.)

20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondents as follows:

22 I
23 INTRODUCTION

24 The proposed orders seek to deny the issuance of an escrow agent's license to Onlinescrow,
25 Inc. ("Online"), pursuant to Financial Code section 17209.3, and to bar Barbara Lynn Brown aka
26 Bobbi Brown ("Brown") pursuant to Financial Code section 17423 from any position of
27 employment, management or control of any escrow agent in that Brown has committed numerous
28 violations of the Escrow Law.

II**THE APPLICATION**

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3 On July 6, 2007, Online, a California corporation, filed its application for an escrow agent's
4 license with amendments on August 7, 2007 and August 29, 2007 (File Nos. 963-2486 hereinafter
5 "application") with the California Corporations Commissioner ("Complainant" or "Commissioner")
6 pursuant to the California Escrow Law (Financial Code sections 17000 *et. seq.*), in particular,
7 Financial Code Section 17209. Brown verified the application as president of Online.

8 The application identified Brown as the president, vice-president, secretary, treasurer, escrow
9 manager, sole shareholder and director of Online. Previously and at all times relevant to this
10 Statement of Issues/Accusation, Brown had been the manager and an escrow officer of the Pacific
11 Palisades branch of Brentwood Escrow, Inc. ("Brentwood"), an escrow agent licensed by the
12 Commissioner.

III**ESCROW LAW VIOLATIONS**

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15 On or about October 5, 2007, the Commissioner, by and through his staff, commenced a
16 special examination of the books and records of Brentwood to review numerous escrow transactions
17 handled by Brown while employed at Brentwood. The special examination was commenced after
18 the Department of Corporations ("Department") received information from Brentwood that Brown
19 had been involved in numerous suspicious transactions involving trust funds, which Brentwood
20 believed had created a trust account shortage. The special examination revealed that between March
21 26, 2006 and August 27, 2007, Brown had made at least forty-seven (47) unauthorized
22 disbursements of trust funds and/or escrow fees from the Brentwood Pacific Palisades branch trust
23 account to herself, on behalf of herself or otherwise, totaling \$190,581.79 in violation of Financial
24 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. Of
25 the \$190,581.79 embezzled by Brown, \$108,369.60 was escrow fees due Brentwood from specific
26 escrow transactions and the remaining \$82,212.19 were trust funds due escrow parties or on behalf
27 of escrow parties. The special examination further revealed that Brown had failed to disclose the
28 unauthorized disbursements to or on behalf of herself on the closing statements or otherwise falsified

1 the closing statement in violation of Financial Code section 17414(a)(2) in order to hide the
2 unauthorized disbursements.¹ The unauthorized disbursements resulted in a trust account shortage
3 and numerous ongoing debit balances in violation of California Code of Regulations, title 10, section
4 1738.1. Brown returned at least \$38,259.06 of the amount she embezzled and Brentwood cured the
5 remaining trust account shortage.

6 The violations discovered during the special examination of Brentwood are described as
7 follows:

8 **A. Escrow No. 6646 – closed 3-29-06**

9 (1) On or about March 29, 2006, Brown made an unauthorized disbursement of trust
10 funds to herself in the amount of \$8,000.00 via a wire transfer in violation of Financial Code section
11 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

12 (2) On or about April 5, 2006, Brown made an unauthorized disbursement of trust funds
13 to herself in the amount of \$1,700.00 via trust check number 69170 in violation of Financial Code
14 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

15 (3) On or about April 18, 2006, Brown made an unauthorized disbursement of trust funds
16 to herself in the amount of \$2,746.49 via trust check number 69376 in violation of Financial Code
17 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

18 (4) Brown attempted to hide the unauthorized disbursements by describing them as paid
19 disbursements on the closing statement in violation of Financial Code section 17414(a)(2).

20 **B. Escrow No. 6900 – closed 2-16-07**

21 (1) On or about February 16, 2007, Brown made an unauthorized disbursement of trust
22 funds in the amount of \$1,110.00 to her mother Frances Brown (“F. Brown”), via a wire transfer in
23 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
24 sections 1738 and 1738.2. The trust funds disbursed to F. Brown represented escrow fees due
25 Brentwood from this escrow.

26 (2) Brown attempted to hide the unauthorized disbursement by describing it on the
27

28 ¹ Unless otherwise noted, Brown characterized the unauthorized disbursements as paid escrow fees on the closing statements despite that such fees were not paid to Brentwood.

1 closing statement as having been paid for cleaning services in violation of Financial Code section
2 17414(a)(2).

3 **C. Escrow No. 6927 – closed 12-15-06**

4 (1) On or about August 10, 2007, Brown made an unauthorized disbursement of trust
5 funds in the amount of \$38,159.06 to be made to her landscaper, My Backyard, Inc. (“landscaper”)
6 via trust check number 76374 in violation of Financial Code section 17414(a)(1) and California
7 Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to the landscaper
8 represented monies being held in escrow to pay a potential homeowner association special
9 assessment, which if no special assessment became occurred or was in a lesser amount, the monies
10 would refunded to the seller.

11 (2) The unauthorized disbursement was made months after the escrow closed. Thus, the
12 closing statement was correct when issued.

13 **D. Escrow No. 6951 – closed**

14 (1) On or about March 9, 2007, Brown made an unauthorized disbursement of trust funds
15 to herself in the amount of \$1,900.00 via trust check number 74295 in violation of Financial Code
16 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

17 (2) On or about March 9, 2007, Brown made an unauthorized disbursement of trust funds
18 to a Nancy Buker (“Buker”) in the amount of \$141.94 via trust check number 74294 in violation of
19 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and
20 1738.2.

21 (3) Brown attempted to hide the unauthorized disbursements by describing them as paid
22 disbursements on the closing statement in violation of Financial Code section 17414(a)(2).

23 **E. Escrow No. 6958 – closed 1-31-07**

24 (1) On or about February 1, 2007, Brown made an unauthorized disbursement of trust
25 funds in the amount of \$500.00 to Buker via trust check number 73745 in violation of Financial
26 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
27 The trust funds disbursed to Buker represented escrow fees due Brentwood from this escrow.

28 (2) On or about February 1, 2007, Brown made an unauthorized disbursement of trust

1 funds in the amount of \$525.00 to a Mark Yapelli (“Yapelli”) via trust check number 73773 in
2 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
3 sections 1738 and 1738.2. The trust funds disbursed to Yapelli represented escrow fees due
4 Brentwood from this escrow.

5 **F. Escrow No. 6973 – closed 1-19-07**

6 (1) On or about January 17, 2007, Brown made an unauthorized disbursement of trust
7 funds to her brother, Warren Brown (“W. Brown”), in the amount of \$1,600.00 via trust check
8 number 73573 in violation of Financial Code section 17414(a)(1) and California Code of
9 Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to W. Brown represented
10 escrow fees due Brentwood from this escrow.

11 (2) On or about January 18, 2007, Brown made an unauthorized disbursement of trust
12 funds to her brother, Warren Brown, (“W. Brown”) in the amount of \$3,000.00 via trust check
13 number 73604 in violation of Financial Code section 17414(a)(1) and California Code of
14 Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to W. Brown represented
15 escrow fees due Brentwood from this escrow.

16 **G. Escrow No. 6979 – closed 2-21-07**

17 (1) On or about February 22, 2007, Brown made an unauthorized disbursement of trust
18 funds in the amount of \$800.00 to Yapelli via trust check number 74038 in violation of Financial
19 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
20 The trust funds disbursed to W. Brown represented escrow fees due Brentwood from this escrow.

21 (2) On or about March 9, 2007, Brown made an unauthorized disbursement of trust funds
22 to herself in the amount of \$1,200.00 via trust check number 74290 in violation of Financial Code
23 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
24 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

25 **H. Escrow No. 6980 – closed 3-16-07**

26 (1) On or about March 19, 2007, Brown made an unauthorized disbursement of trust
27 funds to herself in the amount of \$1,656.00 via trust check number 74325 in violation of Financial
28 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

1 The trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

2 **I. Escrow No. 6991 – closed 3-21-07**

3 (1) On or about March 23, 2007, Brown made an unauthorized disbursement of trust
4 funds to herself in the amount of \$9,000.00 via trust check number 74402 in violation of Financial
5 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

6 The trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

7 **J. Escrow No. 7006 – closed 4-9-07**

8 (1) On or about April 4, 2007, Brown made an unauthorized disbursement of trust funds
9 to herself in the amount of \$673.00 via trust check number 74607 in violation of Financial Code
10 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
11 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

12 **K. Escrow No. 7022 – closed 4-03-07**

13 (1) On or about April 4, 2007, Brown made an unauthorized disbursement of trust funds
14 in the amount of \$1,050.00 to a Jerel Taylor via trust check number 74603 in violation of Financial
15 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

16 The trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

17 (2) On or about April 4, 2007, Brown made an unauthorized disbursement of trust funds
18 to herself in the amount of \$120.00 via trust check number 74604 in violation of Financial Code
19 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
20 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

21 **L. Escrow No. 7027– closed 3-29-07**

22 (1) On or about May 18, 2007, Brown made an unauthorized disbursement of trust funds
23 to herself in the amount of \$4,235.00 via trust check number 75211 in violation of Financial Code
24 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
25 trust funds disbursed to Brown represented a monies being held by escrow for payment to the
26 California Franchise Tax Board.

27 (2) Brown failed to disclose this disbursement on the closing statement in violation of
28 Financial Code section 17414(a)(2).

1 **M. Escrow No. 7036 – closed 4-18-07**

2 (1) On or about April 18, 2007, Brown made two unauthorized disbursements of trust
3 funds to herself in the respective amounts of amount of \$1,600.00 and \$3,700.00 via trust check
4 numbers 74825 and 74826 in violation of Financial Code section 17414(a)(1) and California Code of
5 Regulations, title 10, sections 1738 and 1738.2.

6 (2) Brown did not divert trust funds to herself in this transaction, but instead overdrew
7 the escrow through her unauthorized disbursements. Thus, there was no need for Brown to falsify
8 the closing statement in this transaction. However, in an attempt to hide the overdraft, Brown
9 wrongfully transferred trust funds to this escrow from escrow number 7069. See paragraph S below.

10 **N. Escrow No. 7038– closed 6-26-07**

11 (1) On or about July 2, 2007, Brown made an unauthorized disbursement of trust funds to
12 herself in the amount of \$7,100.00 via trust check number 75727 in violation of Financial Code
13 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
14 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

15 (2) Brown attempted to hide the unauthorized disbursement by describing it simply as
16 paid disbursements on the closing statement in violation of Financial Code section 17414(a)(2).

17 **O. Escrow No. 7046– closed 6-21-07**

18 (1) On or about June 21, 2007, Brown made an unauthorized disbursement of trust funds
19 in the amount of \$250.00 to Buker via trust check number 75598 in violation of Financial Code
20 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
21 trust funds disbursed to Buker represented escrow fees due Brentwood from this escrow.

22 (2) On or about June 21, 2007, Brown made an unauthorized disbursement of trust funds
23 in the amount of \$175.28 to pay her Wells Fargo Visa bill via trust check number 75602 in violation
24 of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738
25 and 1738.2. The trust funds disbursed for Brown represented escrow fees due Brentwood from this
26 escrow.

27 (3) On or about June 21, 2007, Brown made an unauthorized disbursement of trust funds
28 in the amount of \$300.91 to pay an unknown Bank of America Visa bill via trust check number

1 75603 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title
2 10, sections 1738 and 1738.2. The trust funds disbursed to Bank of America represented escrow
3 fees due Brentwood from this escrow.

4 (4) On or about June 21, 2007, Brown made an unauthorized disbursement of trust funds
5 in the amount of \$638.81 to pay an unknown American Express Card bill via trust check number
6 75604 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title
7 10, sections 1738 and 1738.2. The trust funds disbursed to American Express represented escrow
8 fees due Brentwood from this escrow.

9 **P. Escrow No. 7048– closed 5-02-07**

10 (1) On or about May 3, 2007, Brown made an unauthorized disbursement of trust funds
11 to herself in the amount of \$3,000.00 via trust check number 75014 in violation of Financial Code
12 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
13 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

14 (2) Brown attempted to hide the unauthorized disbursement by describing it simply as a
15 disbursement paid to Wells Fargo Bank on the closing statement with a corresponding escrow fee
16 discount to offset the disbursement in violation of Financial Code section 17414(a)(2).

17 **Q. Escrow No. 7056 – closed 5-11-07**

18 (1) On or about May 18, 2007, Brown made an unauthorized disbursement of trust funds
19 to herself in the amount of \$7,420.00 via trust check number 75222 in violation of Financial Code
20 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
21 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

22 (2) Brown attempted to hide the unauthorized disbursement by describing it simply as a
23 paid disbursement on the closing statement with a corresponding escrow fee discount to offset the
24 disbursement in violation of Financial Code section 17414(a)(2).

25 **R. Escrow No. 7068 – closed 5-03-07**

26 (1) On or about May 3, 2007, Brown made an unauthorized disbursement of trust funds
27 to herself in the amount of \$100.00 via trust check number 74985 in violation of Financial Code
28 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The

1 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

2 (2) Brown attempted to hide the unauthorized disbursement by describing it simply as
3 paid disbursement on the closing statement in violation of Financial Code section 17414(a)(2).

4 **S. Escrow No. 7069 – closed 6-11-07**

5 (1) On or about June 6, 2007, Brown made an unauthorized disbursement of trust funds
6 to Brentwood Escrow number 7036 in the amount of \$5,060.30 via trust check number 75398 in
7 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
8 sections 1738 and 1738.2. The trust funds disbursed to escrow number 7036 represented escrow
9 fees due Brentwood from this escrow and were transferred to escrow number 7036 to cover the
10 shortage created by Brown when she wrongfully disbursed trust funds to herself from that escrow.

11 **T. Escrow No. 7076 – closed 6-14-07**

12 (1) On or about June 14, 2007, Brown made an unauthorized disbursement of trust funds
13 in the amount of \$1,500.00 to a Carlos Avila via trust check number 75521 in violation of Financial
14 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
15 The trust funds disbursed to Avila represented escrow fees due Brentwood from this escrow.

16 (2) On or about June 14, 2007, Brown made an unauthorized disbursement of trust funds
17 to herself in the amount of \$4,000.00 via trust check number 75524 in violation of Financial Code
18 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
19 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

20 **U. Escrow No. 7089 – closed 6-19-07**

21 (1) On or about June 18, 2007, Brown made an unauthorized disbursement of trust funds
22 to herself in the amount of \$2,500.00 via trust check number 75553 in violation of Financial Code
23 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
24 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

25 (2) Brown attempted to hide the unauthorized disbursements by describing it as a
26 disbursement to Wells Fargo Bank on the closing statement in violation of Financial Code section
27 17414(a)(2).

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1 **V. Escrow No. 7090 – closed 6-15-07**

2 (1) On or about June 21, 2007, Brown made an unauthorized disbursement of trust funds
3 in the amount of \$3,600.00 to her landscaper via trust check number 75599 in violation of Financial
4 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
5 The trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

6 (2) On or about June 15, 2007 and June 26, 2007, Brown made two unauthorized
7 disbursements of trust funds to Buker in the respective amounts of \$400.00 and \$20.00 via trust
8 check numbers 75538 and 75634 in violation of Financial Code section 17414(a)(1) and California
9 Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to Buker
10 represented escrow fees due Brentwood from this escrow.

11 **W. Escrow No. 7092 – closed 7-24-07**

12 (1) On or about July 31, 2007, Brown made an unauthorized disbursement of trust funds
13 in the amount of \$5,075.00 to Brentwood Escrow number 7106 via trust check number 76237 in
14 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
15 sections 1738 and 1738.2. The trust funds disbursed to escrow number 7106 represented escrow
16 fees due Brentwood from this escrow and were transferred to escrow number 7106 to help cover the
17 shortage created by Brown in that escrow when she wrongfully disbursed trust funds to herself and
18 others from that escrow.

19 **X. Escrow No. 7095 – closed 6-27-07**

20 (1) On or about June 27, 2007, Brown made an unauthorized disbursement of trust funds
21 in the amount of \$3,800.00 to her landscaper via trust check number 75655 in violation of Financial
22 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
23 The trust funds disbursed to the landscaper represented escrow fees due Brentwood from this
24 escrow.

25 (2) On or about June 27, 2007, Brown made an unauthorized disbursement of trust funds
26 to herself in the amount of \$2,000.00 via trust check number 75660 in violation of Financial Code
27 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
28 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

1 (3) Brown attempted to hide the unauthorized disbursements on the closing statement by
2 describing the disbursement to her landscaper as work done on the property for the escrow parties
3 and the disbursement to herself as funds paid to Washington Mutual per lender's instructions in
4 violation of Financial Code section 17414(a)(2).

5 **Y. Escrow No. 7106 – closed 7-20-07**

6 (1) On or about July 23, 2007, Brown made an unauthorized disbursement of trust funds
7 to herself in the amount of \$18,500.00 via trust check number 76046 in violation of Financial Code
8 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

9 (2) On or about July 25, 2007, Brown made an unauthorized disbursement of trust funds
10 to herself in the amount of \$5,650.00 via trust check number 76128 in violation of Financial Code
11 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
12 trust check was written for a wire to Brown's Washington Mutual bank account, but was returned by
13 the bank.

14 (3) On or about July 26, 2007 and August 27, 2007, Brown made two unauthorized
15 disbursements of trust funds in the respective amounts of \$5,650.00 and \$5,650.00 to her landscaper
16 via trust check numbers 76172 and 76436 in violation of Financial Code section 17414(a)(1) and
17 California Code of Regulations, title 10, sections 1738 and 1738.2.

18 (4) Brown attempted to hide the unauthorized disbursements by describing them as loans
19 on the closing statement in violation of Financial Code section 17414(a)(2).

20 **Z. Escrow No. 7108 – closed 7-26-07**

21 (1) On or about July 13, 2007 and July 26, 2007, Brown made two unauthorized
22 disbursements of trust funds in the respective amounts of \$10,000.00 and \$4,225.00 to her
23 landscaper via trust check numbers 75884 and 76180 in violation of Financial Code section
24 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds
25 disbursed to the landscaper represented escrow fees due Brentwood from this escrow.

26 **AA. Escrow No. 7121 – closed 7-03-07**

27 (1) On or about July 2, 2007, Brown made an unauthorized disbursement of trust funds to
28 herself in the amount of \$550.00 via trust check number 75736 in violation of Financial Code

1 section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The
2 trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

3 (2) On or about July 3, 2007, Brown made an unauthorized disbursements of trust funds
4 in the amount of \$10,000.00 to her landscaper via trust check number 75746 in violation of Financial
5 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.
6 The trust funds disbursed to Brown represented escrow fees due Brentwood from this escrow.

7 **IV**

8 **CONCLUSION**

9 Complainant finds, by reason of the foregoing, that:

10 (1) Brown, the president, vice-president, secretary, treasurer, sole shareholder, escrow
11 manager, and director of Online has committed innumerable violations of the California Escrow
12 Law;

13 (2) Online is incapable of operating its escrow business in compliance with the California
14 Escrow Law as demonstrated by Brown's continuous pattern of violations; and

15 (3) It is in the best interests of the public to deny Online's application for an escrow
16 agent's license and to bar Brown from any position of employment, management or control of any
17 escrow agent.

18 California Financial Code section 17209.3 provides in pertinent part:

19 The commissioner may refuse to issue any license being applied for,
20 and shall refuse to issue any license being applied for if upon the
21 commissioner's examination and investigation, and after appropriate
22 notice and hearing, the commissioner finds any of the following:

22 . . .

23 (b) That any incorporator, officer, or director of the applicant has,
24 within the last 10 years, been (1) convicted of or pleaded nolo contendere
25 to a crime, or (2) committed any act involving dishonesty, fraud, or deceit,
26 which crime or act is substantially related to the qualifications, functions,
or duties of a person engaged in business in accordance with the provisions
of this division.

27 (f) The applicant, any officer, director, general partner, or incorporator
28 of the applicant, or any person owning or controlling, directly or indirectly,
10 percent or more of the outstanding equity securities of the applicant has

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violated any provision of this division or the rules thereunder or any similar regulatory scheme of the State of California or a foreign jurisdiction.

California Financial Code Section 17423 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:

(1) That the . . . bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

THEREFORE, Complainant asserts that he is justified under California Financial Code sections 17209.3 and 17423 in denying Online’s application for an escrow agent's license and barring Brown from any position of employment, management or control of any escrow agent.

WHEREFORE IT IS PRAYED that the application for an escrow agent's license filed by Online on July 6, 2007 be denied and Brown be barred from any position of employment, management or control of any escrow agent.

Dated: November 25, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel