

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 BLAINE A. NOBLETT (CA BAR NO. 235612)
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.: 963-2525
CORPORATIONS COMMISSIONER,)
12)
13 Complainant,) **DEMAND FOR AND ORDER TAKING**
14 vs.) **POSSESSION OF THE TRUST FUNDS**
15) **AND ESCROW RECORDS OF PIRON**
PRION ESCROW, INC. formerly known as CF) **ESCROW, INC. PURSUANT TO**
16 ESCROW, INC.,) **FINANCIAL CODE SECTION 17621**
17 Respondent.)
18)

19 TO: PIRON ESCROW, INC.
20 778 Jamacha Road
El Cajon, California 92019
21
22 CITY NATIONAL BANK
555 South Flower Street, 21st Floor
23 Los Angeles, California 90071

24 WHEREAS, Preston DuFauchart, the California Corporations Commissioner
25 ("Commissioner"), has found that Piron Escrow, Inc. formerly known as CF Escrow, Inc. ("Piron
26 Escrow" or "Respondent"), an escrow agent subject to the Escrow Law (Fin. Code, § 17000 et seq.),
27 is unable to remedy certain conditions set forth in the Notice and Summary of Findings Pursuant to
28 Financial Code section 17621 issued by the Commissioner on September 2, 2011; and

1 WHEREAS, Respondent is conducting its escrow business in an unsafe, injurious and
2 unauthorized manner, so as to render further operations hazardous to the public or to customers in
3 that Respondent:

4 (a) has been unable to cure the trust account shortage of \$435,000.00 caused by the
5 previous owner despite numerous demands from the Commissioner;

6 (b) has violated the Commissioner’s written demand that all trust funds received on or
7 after July 25, 2011 be deposited into a new trust account and kept separate from the trust funds
8 affected by the shortage by transferring funds from the new trust account into the old trust account to
9 cover checks being presented against the old trust account commencing on or about August 23,
10 2011;

11 (c) by violating the Commissioner’s demand to keep the funds separate, has caused a
12 shortage to exist in the new trust account in an unknown amount in violation of California Code of
13 Regulations, title 10, section 1738.1;

14 (d) has failed to comply with the Commissioner’s written demand issued on or about
15 August 23, 2011 to submit an accounting of the funds transferred between the two accounts since
16 such transfers began on or about August 23, 2011, in violation of Financial Code section 17406,
17 subdivision (e);

18 (e) has been unable to cure the shortage in the new trust account that it caused by
19 transferring funds to the old trust account despite the written demand from the Commissioner; and

20 (f) further violated the Commissioner’s written demand that all trust funds received on or
21 after July 25, 2011 be deposited into a new trust account and kept separate from the trust funds
22 affected by the shortage by allowing funds in the amount of \$30,359.07 that were supposed to have
23 been wired into the new trust account on or about August 26, 2011, to be wired into the old trust
24 account thereby creating a further trust account shortage in the new trust account.

25 NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the
26 Commissioner, effective this date, hereby demands and takes possession of the trust accounts of
27 Piron Escrow, Inc., whether in the name of Piron Escrow or CF Escrow, Inc. and any indemnity
28 funds paid or to be paid by Escrow Agents’ Fidelity Corporation, and all bank and escrow records

1 pertinent thereto, and will retain possession thereof until the Commissioner appoints a conservator,
2 or until its affairs are finally liquidated as provided for in Division 6, Chapter 6 of the Financial
3 Code, or it resumes business with the consent and upon such conditions as the Commissioner may
4 prescribe.

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

6 Dated: September 2, 2011
7 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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9 By _____
10 Alan S. Weinger
11 Deputy Commissioner
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