

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting 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.: 963-2298
CORPORATIONS COMMISSIONER,)
12)
13 Complainant,) AMENDED NOTICE AND SUMMARY OF
14 vs.) FINDINGS PURSUANT TO CALIFORNIA
15 PREMIERE TRANSACTIONS ESCROW,) FINANCIAL CODE SECTION 17621
INC.,)
16)
17 Respondent.)
18)

19 TO: PREMIERE TRANSACTIONS ESCROW, INC.,
20 23172 Plaza Pointe, Suite 110
Laguna Hills, California 92653

21
22 COMMERCIAL BANK OF CALIFORNIA
695 Town Center Drive, Suite 100
23 Costa Mesa, California 92626

24 Please take notice that the California Corporations Commissioner finds:

- 25 1. On or about July 25, 2008, a special examination of the books and records of
26 Premiere Transactions Escrow, Inc. (“Premiere”) was commenced by the California Corporations
27 Commissioner (“Commissioner”) after the Commissioner received information that escrow
28

1 customers were unable to get hold of Premiere regarding their escrow transactions. The special
2 examination revealed the following:

3 a. Commencing on or about May 22, 2007, and continuing through at least August 11,
4 2008, Premiere transferred or otherwise disbursed trust funds totaling at least \$172,803.85 to its
5 general account and/or the personal account(s) of its president, Theresa Madden (“Madden”), or
6 otherwise for the payment of business operating expenses or other non-trust related expenses in
7 violation of Financial Code sections 17409 and 17414(a)(1) and California Code of Regulations, title
8 10, sections 1738 and 1738.2.

9 b. One recent unauthorized disbursement from the trust account, which occurred on or
10 about August 11, 2008, was issued to Madden’s son in the amount of \$3,000.00.

11 c. The unauthorized disbursements described in paragraphs a and b above have caused a
12 shortage of at least \$138,721.24 to currently exist in the trust account of Premiere in violation of
13 California Code of Regulations, title 10, section 1738.1.

14 d. Premiere has abandoned the escrow business and the landlord is in the process of
15 evicting Premiere from its licensed location. The Commissioner has been unable to locate Madden,
16 and thus has been unable to make demand upon Premiere to cure the trust account shortage.

17 e. As of August 20, 2008, there remained a balance of \$87,845.11 in the trust account of
18 Premiere. Notwithstanding the abandonment of the escrow business, unauthorized disbursement(s)
19 from the trust account have continued to occur, such as the one described in paragraph b above.

20 2. California Financial Code section 17621 provides in pertinent part:

21 Whenever it appears to the Commissioner that any escrow agent subject
22 to this division:

23 ...

(b) Is conducting escrow business in an unsafe and unauthorized manner;

24 (c) Has violated its charter or any law of the State of California;

25 ...

26 the commissioner shall dispatch a written notice and summary of findings,
27 as referred to in Section 17415, to the principal officer of the escrow agent
28 involved or to its manager of record; and such escrow agent shall be afforded
a reasonable opportunity to comply or otherwise effect such remedy as the
commissioner may deem acceptable. However, should the escrow agent so
notified fail to comply within five days of receipt of the notice, or as soon as

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it appears to the commissioner that no compliance is possible, or in the event prompt delivery of the prescribed written notice is impossible, the commissioner may forthwith take possession of the property and business of such escrow agent and retain possession until such escrow agent resumes business or its affairs be finally liquidated as provided in this chapter. The escrow agent, with the consent of the commissioner, may resume business upon such conditions as the commissioner may prescribe.

3. Based upon the foregoing, the Commissioner finds that Premiere has violated Financial Code sections 17409 and 17414 and California Code of Regulations, title 10, sections 1738, 1738.1 and 1738.2, and is conducting escrow business in an unsafe and unauthorized manner, that no compliance is possible.

Dated: August 25, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Acting Deputy Commissioner