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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT

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OF THE STATE OF CALIFORNIA

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In the Matter of THE COMMISSIONER OF) AMENDED DESIST AND REFRAIN ORDER
BUSINESS OVERSIGHT OF THE STATE OF) PURSUANT TO CALIFORNIA FINANCIAL
13 CALIFORNIA,) CODE SECTION 17416

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Complainant,

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vs.

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SECURE ACCOUNT SERVICE LLC and
STEPHEN R. STRATFORD

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Respondents.

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This Order partially amends and supersedes the Order issued on December 18, 2013 by
25 revising paragraphs 3 and 8. The remaining portions of the December 18, 2013 Order remain in
26 effect.

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The Commissioner of Business Oversight of the State of California (“Commissioner”), is
28 informed and believes, and based on such information and belief, finds as follows:

I.

FACTUAL BACKGROUND

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3 1. At all relevant times herein Secure Account Service LLC (“SAS”) is an Arizona
4 limited liability company with its business address located at 430 Lake Havasu Ave. S., Suite 101,
5 Lake Havasu City, Arizona 86403. SAS maintains a website at www.secureaccountservice.com.

6 2. Stephen R. Stratford (“Stratford”) is at all relevant times herein the Director of
7 Operations of SAS.

8 3. Nationwide Processing Services, Inc. (“NPS”) is at all relevant times herein an entity
9 of unknown form with its last known business address located at 5752 Oberlin Drive, San Diego,
10 California 92121.

11 4. At all relevant times herein SAS represented on its website that it is “an independent
12 company that administers consumer accounts in response to referrals by attorney firms and other
13 regulated entities . . . SAS administers an independent FDIC insured trust account for consumers
14 engaged in Private Loan Servicing, Structured Settlement, Annuity, Student Loan Management and
15 Factoring Lending activities, as well as those services provided by attorney firms. All fees and funds
16 are kept in the account until distribution according to mutually agreed upon instructions.” From in or
17 around July, 2009, through at least July, 2013, SAS listed “Tax and insurance payments and escrow,”
18 “Debt consolidation escrow accounts,” and “1031 Exchange escrow accounts” among the services it
19 provided.

20 5. Starting from at least October, 2011, SAS engaged in the business of an escrow agent
21 within California as described below:

22 6. Pursuant to a written agreement between NPS, SAS, and at least one California
23 resident (“Agreement”), SAS was to “provide payment processing services” in connection with the
24 California resident’s residential loan modification through NPS. The written agreement stated that
25 SAS would provide services, including “receiving, posting and holding” the California resident’s
26 payments in an FDIC-insured account and disbursing funds as authorized by the California resident
27 pursuant to the California resident’s “underlying agreement” with NPS.
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1 receiving escrows for deposit or delivery without first obtaining a license from the Commissioner.

2 This Order is necessary, in the public interest, for the protection of investors and consistent
3 with the purposes, policies, and provisions of the California Escrow Law (California Financial Code
4 §§ 17000 et seq.) (“Escrow Law”).

5 This Order shall remain in full force and effect until further order of the Commissioner.

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7 Dated: January 28, 2014
8 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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By: _____
MARY ANN SMITH
Deputy Commissioner

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