

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

11	In the Matter of THE CALIFORNIA)	Case No.: 963-0288
12	CORPORATIONS COMMISSIONER,)	
13	Complainant,)	DEMAND FOR AND ORDER TAKING
14	vs.)	POSSESSION OF THE TRUST FUNDS AND
15	STAR ESCROW CO., INC.,)	ESCROW RECORDS OF STAR ESCROW
16	Respondent.)	CO., INC. PURSUANT TO CALIFORNIA
17)	FINANCIAL CODE SECTION 17621
18)	

19 TO: STAR ESCROW CO., INC.
20 3929 Tweedy Boulevard
21 South Gate, California 90280
22 COMERICA BANK
23 2321 Rosecrans Avenue, Suite 5000
El Segundo, California 90245-4537

24 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
25 ("Commissioner"), has found that Star Escrow Co., Inc. ("Respondent"), an escrow agent subject to
26 the Escrow Law (California Financial Code sections 17000 et seq.), is unable to remedy certain
27 conditions set forth in the Notice and Summary of Findings Pursuant to section 17621 of the
28 California Financial Code issued by the Commissioner on April 1, 2009; and

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

4 (a) Caused or allowed trust funds to be disbursed otherwise than in accordance with the
5 escrow instructions in violation of Financial Code sections 17409 and 17414(a)(1) and California
6 Code of Regulations, title 10, sections 1738 and 1738.2.

7 (b) Over-disbursed trust funds in various escrow accounts in violation of California Code
8 of Regulations, title 10, sections 1738.1.

9 (c) Failed to maintain proper books and records in violation of Financial Code section
10 17404 and California Code of Regulations, title 10, section 1732.2.

11 (d) By engaging in such unauthorized and unsafe practices has caused a shortage to exist
12 in the trust account of at least \$256,390.40 as of July 31, 2008 in violation of California Code of
13 Regulations, title 10, section 1738.1.

14 (e) Abandoned the escrow business.

15 (f) Failed to properly liquidate and wind down the escrow business leaving trust funds on
16 deposit in the trust account, which trust funds totaled \$139,782.37 as of March 17, 2009.

17 NOW, GOOD CAUSE APPEARING, pursuant to Financial Code section 17621, the
18 Commissioner, effective this date, hereby demands and takes possession of the trust accounts of Star
19 Escrow Co., Inc., and all bank and escrow records pertinent thereto, and will retain possession
20 thereof until the Commissioner appoints a conservator, or until its affairs are finally liquidated as
21 provided for in Division 6, Chapter 6 of the Financial Code, or it resumes business with the consent
22 and upon such conditions as the Commissioner may prescribe.

23 Dated: April 1, 2009
24 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

25
26 By _____
27 Alan S. Weinger
28 Acting Deputy Commissioner