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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA
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11 In the Matter of) CASE NO.: 963-2673
12 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
13)
14 Complainant,)
15 vs.) ORDER TO DISCONTINUE ESCROW
ACTIVITIES PURSUANT TO CALIFORNIA
16 UCA ESCROW, INC.) FINANCIAL CODE SECTION 17415
17)
18 Respondent.)
19

20 TO: UCA ESCROW, INC.
17155 Newhope Street, Suite M
21 Fountain Valley, CA 92708

22 CITY NATIONAL BANK
23 555 S. Flower Street, 21st Floor
24 Los Angeles, CA 90071
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THE COMMISSIONER OF BUSINESS OVERSIGHT FINDS THAT:

1. During an examination of UCA Escrow, Inc.’s (“UCA”) annual audit report for the period ending December 31, 2013, the Commissioner of Business Oversight (“Commissioner”)’s examiner noted that UCA was deficient in meeting the liquid asset and tangible net worth requirements set forth in Financial Code section 17210 by \$15,892 and \$3,111, respectively.
2. The Commissioner sent certified letters to Shu Luu Hoang (“Hoang”), President and Escrow Manager of UCA on July 3, 2014 and October 10, 2014, demanding that UCA provide proof that the liquid asset and tangible net worth deficiencies have been cured. UCA failed to respond to the Commissioner’s July 3, 2014 and October 10, 2014 letters.
3. Based on UCA’s failure to respond to the certified letters, on October 20, 2014, the Commissioner’s examiner sent an email to Tom Nguyen, President of Integrity Escrow, an affiliate of UCA, requesting that they respond to the Commissioner’s request for information. On October 31, 2014, Nguyen emailed the Commissioner’s examiner and attached a copy of a \$10,000 cashier’s check issued to UCA as a capital contribution and indicated that UCA would also provide updated financial statements to the Commissioner. On the same day, the Commissioner’s examiner emailed Hoang and requested that UCA provide to the Commissioner: bank reconciliations, bank statements and September and October 2014 financial statements, by November 15, 2014.
4. On November 2, 2014, UCA’s accountant emailed the Commissioner’s examiner and stated that the requested items would be available before November 15, 2014. The Commissioner did not receive any of the requested documents by November 15, 2014. On November 18, 2014, UCA’s accountant emailed the Commissioner’s examiner and indicated that either Nguyen or Hoang would provide the requested financial information. On the same day, the Commissioner’s examiner emailed Hoang indicating that the matter would be referred for administrative action if Hoang failed to provide the financial information requested. Hoang responded to the email asking for a contact number but never called the Commissioner’s examiner.
5. On November 21, 2014, the Commissioner’s examiner followed up with Hoang and requested UCA’s October 2014 financial statement. The same day, Hoang responded and indicated that she would need until November 26, 2014, to provide the financial statement to the

1 Commissioner. Hoang failed to provide UCA’s October 2014 financial statement to the
2 Commissioner on November 26, 2014. On December 2, 2014, the Commissioner’s examiner sent
3 another follow up email to Hoang stating that UCA’s October 2014 financial statement must be
4 provided to the Commissioner by December 5, 2014.

5 6. On December 8, 2014, Hoang sent an email to the Commissioner’s examiner,
6 providing the Commissioner with UCA’s October 2014 financial statement and stating that UCA
7 desired to close out the company. The Commissioner’s examiner informed Hoang that she needed to
8 send to the Commissioner a letter of intent to surrender the license in addition to other supporting
9 documentation and that the letter and documents must be received by the Commissioner within a
10 week to avoid revocation of the license. As of the date of this Order, Hoang has failed to submit any
11 request to surrender UCA’s escrow agent license.

12 7. A review of UCA’s October 2014 financial statement revealed that UCA was
13 deficient in meeting the tangible net worth requirement by \$17,296.97 and liquid asset requirement
14 by \$3,501.41. The Commissioner has not received any proof to date that UCA has corrected the
15 tangible net worth and liquid asset deficiency under Financial Code section 17210.

16 8. UCA is also in violation of Financial Code section 17405 based on their continuous
17 failure to respond to the Commissioner’s communications and provide the documents requested by
18 the Commissioner.

19 Based on the foregoing, UCA Escrow, Inc. is conducting escrow business in such an unsafe
20 and injurious manner as to render further operations hazardous to the public or to customers.

21 NOW BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING THEREFORE,
22 under Financial Code section 17415, it is hereby ORDERED that:

23 UCA Escrow, Inc. and any person having in his or her possession any escrow funds or trust
24 funds discontinue immediately the receipt or disbursement of any escrow or joint control money,
25 documents, or other property in its possession, custody or control.

26 This Order is to remain in full force and effect until further order of the Commissioner.

27 Financial Code 17415 provides as follows:

- 28 (a) If the commissioner, as a result of any examination or
from any report made to him or her, shall find that any person

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subject to this division is in an insolvent condition, is conducting escrow business in such an unsafe or injurious manner as to render further operations hazardous to the public or to customers, has failed to comply with the provisions of Section 17212.1 or 17414.1, has permitted its tangible net worth to be lower than the minimum required by law, has failed to maintain its liquid assets in excess of current liabilities as set forth in Section 17210, or has failed to comply with the bonding requirements of Chapter 2 (commencing with Section 17200) of this division, the commissioner may, by an order addressed to and served by registered or certified mail or by personal service on such person and on any other person having in his or her possession or control any escrowed funds, trust funds or other property deposited in escrow with said person, direct discontinuance of the disbursement of trust funds by the parties or any of them, the receipt of trust funds, the delivery or recording of documents received in escrow, or other business operations. No person having in his or her possession any of these funds or documents shall be liable for failure to comply with the order unless he or she has received written notice of the order. Subject to subdivision (b), the order shall remain in effect until set aside by the commissioner in whole or in part, the person is the subject of an order for relief in bankruptcy, or pursuant to Chapter 6 (commencing with Section 17621) of this division the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code. Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

Dated: February 18, 2015
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division