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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of:) ESCROW LICENSE NO.: 963-2490
)
12 THE COMMISSIONER OF BUSINESS) NOTICE AND SUMMARY OF FINDINGS
13 OVERSIGHT,) PURSUANT TO FINANCIAL CODE
) SECTION 17621
14 Complainant,)
)
15 v.)
)
16 VELOCITY ESCROW, INC.,)
)
17 Respondent.)
18)

19
20 TO: VELOCITY ESCROW, INC.
17744 Sky Park Circle, Suite 250
21 Irvine, California 92614

22 CITY NATIONAL BANK
23 5601 East Slauson Avenue
24 City of Commerce, California 90040.

25 Please take notice that the Commissioner of Business Oversight finds:

26 1. On October 21, 2014, the Commissioner of Business Oversight (“Commissioner”)
27 commenced an action to revoke the escrow agent’s license of Velocity Escrow, Inc. (“Velocity”) and
28 to bar its two officers and shareholders, Mutasem Al Saad (“Al Saad”) and Hali Saad (“Saad”), from

1 any position of employment, management or control. The pleadings were personally served on
2 Velocity, Al Saad and Saad on October 23, 2014. Velocity, Al Saad and Saad filed Notices of
3 Defense with the Commissioner, and a two-day hearing is scheduled for May 27 and 28, 2015 at the
4 Los Angeles Office of Administrative Hearings.

5 2. Pursuant to Financial Code section 17423, subdivision (c), Al Saad and Saad are
6 prohibited from engaging in any escrow processing activities, including disbursing any trust funds in
7 Velocity's possession, custody or control, and have been since October 23, 2014.

8 3. On or about March 18, 2015, Velocity's sole employee authorized to process escrows
9 and sign on the trust account; Mohamed E., left his employ with Velocity to operate his own escrow
10 company. Velocity was aware in late February 2015 that this employee would be leaving as of
11 March 18, 2015, and had assured staff at the Department of Business Oversight ("Department") that
12 a former employee of Velocity; Darwiche B., would be re-hired by March 18, 2015 to ensure that
13 Velocity could continue to process escrows after that date.

14 4. On or about April 3, 2015, the Department commenced a special examination of
15 Velocity. The only person present at Velocity on April 3, 2015 was Al Saad. According to the
16 signature card for the trust account, the only authorized signer for the trust account was Mohamed
17 E., who left his employ with Velocity on or about March 18, 2015. Al Saad represented to the
18 Department on the Summary of Personnel that Darwiche B. had started working again for Velocity
19 on March 20, 2015. A review of several open escrow files revealed that the trust receipts were still
20 being signed by Mohamed E. after March 18, 2015. Al Saad stated that while Mohamed E. is no
21 longer with Velocity, Velocity is paying Mohamed E. until April 4, 2015 when Darwiche B. starts
22 working. This statement was a contradiction to what Al Saad represented in the Summary of
23 Personnel about Darwiche B.'s start date. The file review also disclosed that Saad continued
24 processing escrow transactions in violation of Financial Code section 17423, subdivision (c).

25 5. On or about April 6, 2015, the Department's examiner returned to Velocity.
26 Darwiche B. appeared at Velocity at or about 3:45 p.m. that day solely for the purpose of being
27 added as an authorized signer on the trust account. A review of cleared trust account checks
28 disclosed that all trust account checks issued during March 2015 and all trust account checks issued

1 and cleared between April 1, 2015 and April 6, 2015 were signed by Mohamed E. The
2 Department’s review also disclosed that Velocity had opened fifty-four new escrows since March
3 19, 2015.

4 6. The Department returned to Velocity on April 7, 9 and 14, 2015. The Department’s
5 examiner remained on-site at Velocity during normal business hours for each of those days, and
6 Darwiche B. never appeared. The only persons present at Velocity were Al Saad and Saad.

7 7. The balance in the trust account was \$876,390.85 as of April 8, 2015.

8 8. Financial Code section 17621 provides in pertinent part:

9 Whenever it appears to the commissioner that any escrow agent subject
10 to this division:

11 ...

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

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

13 ...

13 (e) Neglects or refuses to observe and order of the commissioner made
14 pursuant to the provisions of this division, within the time specified therein . . . ;

15 . . .

15 the commissioner shall dispatch a written notice and summary of findings,
16 as referred to in Section 17415, to the principal officer of the escrow agent
17 involved or to its manager of record; and such escrow agent shall be afforded
18 a reasonable opportunity to comply or otherwise effect such remedy as the
19 commissioner may deem acceptable. However, should the escrow agent so
20 notified fail to comply within five days of receipt of the notice, or as soon as
21 it appears to the commissioner that no compliance is possible, or in the event
22 prompt delivery of the prescribed written notice is impossible, the commissioner
23 may forthwith take possession of the property and business of such escrow agent
24 and retain possession until such escrow agent resumes business or its affairs be
25 finally liquidated as provided in this chapter. The escrow agent, with the consent
26 of the commissioner, may resume business upon such conditions as the
27 commissioner may prescribe.

28 9. Based upon the foregoing, the Commissioner finds that Velocity has violated Financial Code
section 17423 and is conducting escrow business in such an unsafe and unauthorized manner,

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that no compliance is possible.

Dated: April 17, 2015
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Judy L. Hartley
Senior Counsel
Enforcement Division