

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11 In the Matter of THE CALIFORNIA)
CORPORATIONS COMMISSIONER,)

) File No.: 963-1944

13 Complainant,

14 v.)

15 WEST ESCROW, INC.,)

) **DEMAND FOR AND ORDER TAKING**
) **POSSESSION OF THE TRUST FUNDS AND**
) **ESCROW RECORDS OF WEST ESCROW,**
) **INC. PURSUANT TO FINANCIAL CODE**
) **SECTION 17621**

16 Respondent.)
17)

18 TO: WEST ESCROW, INC.
315 S. Beverly Drive, Suite 515
19 Beverly Hills, California 90212

20 CITY NATIONAL BANK, N.A.
21 5601 East Slauson Avenue
22 City of Commerce, California 90040

23 MELLON 1st BUSINESS BANK, N.A.
24 1800 Avenue of the Stars
Los Angeles, California 90067

25 U.S. BANK, N.A.
26 1800 Avenue of the Stars
27 Los Angeles, California 90067

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1 WHEREAS, Preston DuFauchard, the California Corporations Commissioner
2 ("Commissioner"), has found that West Escrow, Inc. ("West Escrow" or "Respondent"), an escrow
3 agent subject to the Escrow Law (Fin. Code, §§ 17000 et seq.), is unable to remedy certain conditions
4 set forth in the Notice and Summary of Findings Pursuant to section 17621 of the Financial Code
5 issued by the Commissioner on March 19, 2009; and

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

9 (a) engaged in unauthorized and unsafe practices transferring or otherwise disbursing trust
10 funds to its general and/or payroll accounts or otherwise for the payment of business and operating
11 expenses or other non-trust related expenses in violation of Financial Code sections 17409, 17414,
12 subdivision (a)(1), and California Code of Regulations, title 10, sections 1738 and 1738.2;

13 (b) by engaging in unauthorized and unsafe practices by disbursing without authorization
14 trust funds in violation of Financial Code section 17414, subdivision (a)(1) and California Code of
15 Regulations, title 10, sections 1738 and 1738.2;

16 (c) by engaging in such unauthorized and unsafe practices has caused a shortage to exist
17 in the trust account of at least \$528,934.83 in violation of California Code of Regulations, title 10,
18 section 1738.1;

19 (d) by engaging in such unauthorized and unsafe practices has falsified escrow records by
20 creating false escrow receipts in violation of Financial Code section 17414, subdivision (a)(2);

21 (e) by failing to perform monthly bank reconciliations on the trust account since at least
22 April 2008 in violation of Financial Code section 17404 and California Code of Regulations, title 10,
23 section 1732.2;

24 (f) by failing to comply with the bonding requirements of Financial Code section 17202
25 in that effective October 19, 2008, Bond Number 1006155 issued by Accredited Surety and Casualty
26 Company in favor of West Escrow has expired and no replacement bond has been obtained in
27 violation of section 17202 of the Financial Code;

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1 (g) by failing to pay its annual assessment as is required by Financial Code section 17207;

2 (h) by failing to employ an escrow manager, in that on or about November 12, 2008,
3 Angie West, West Escrow's president and sole shareholder, passed away leaving West Escrow
4 without any escrow manager in violation of Financial Code section 17200.8; and

5 (i) by failing to report employees to the Commissioner, in that West Escrow employed
6 several individuals in its escrow business without having first reported their employment to the
7 Commissioner in violation of Financial Code section 17419 and title 10, section 1726 of the
8 California Code of Regulations.

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

15 Dated: March 19, 2009

16 PRESTON DuFAUCHARD
17 California Corporations Commissioner

18 By: _____
19 ALAN S. WEINGER
20 Acting Deputy Commissioner
21 Enforcement Division
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