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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS

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OF THE STATE OF CALIFORNIA

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In the Matter of THE CALIFORNIA
CORPORATIONS COMMISSIONER,

)

File No.: 963-1944

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Complainant,

)

**ORDER TO DISCONTINUE ESCROW
ACTIVITIES PURSUANT TO
CALIFORNIA FINANCIAL CODE
SECTION 17415**

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v.

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WEST ESCROW, INC.,

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Respondent.

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

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

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

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

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1 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

2 1. On or about September 30, 2008, the California Corporations Commissioner
3 ("Commissioner") issued a notice demand to West Escrow, Inc. ("West Escrow") for its failure to pay
4 the annual assessment as is required by Financial Code section 17207. To date, no payment of the
5 annual assessment has been received from West Escrow.

6 2. West Escrow has failed to comply with the bonding requirements of Financial Code
7 section 17202 in that effective October 19, 2008, Bond Number 1006155 issued by Accredited Surety
8 and Casualty Company in favor of West Escrow has expired and no replacement bond has been
9 obtained. Based on the foregoing, West Escrow is conducting escrow business in violation of section
10 17202 of the Financial Code.

11 A. On or about October 20, 2008, the Commissioner issued an order to West Escrow to
12 discontinue acceptance of any new escrow or joint control business, and of money, documents or
13 other property in connection therewith pursuant to Financial Code section 17415.

14 3. On or about November 12, 2008, Angie West, West Escrow's president and sole
15 shareholder, passed away, such that West Escrow is without any escrow manager in violation of
16 Financial Code section 17200.8.

17 4. West Escrow has failed to maintain its books and records in accordance with the
18 Escrow Law (Fin. Code section 17000, et seq.) as follows:

19 A. On or about November 14, 2008, the Commissioner discovered that West Escrow had
20 stopped reconciling its trust account since at least April 2008 in violation of title 10, section 1732.2 of
21 the California Code of Regulations. As a result of West Escrow's failure to maintain proper books
22 and records, the Commissioner is unable to determine whether a shortage exists in the trust account
23 of West Escrow or whether it meets the tangible net worth and liquid asset requirements of Financial
24 Code section 17210.5.

25 5. On or about November 14, 2008 the Commissioner discovered that West Escrow had
26 employed several individuals in its escrow business without having first reported their employment to
27 the Commissioner in violation of title 10, section 1726 of the California Code of Regulations and
28 Financial Code section 17419.

1 Based upon the foregoing, West Escrow, Inc. is conducting escrow business in such an unsafe
2 and injurious manner as to render further operations hazardous to the public or to customers.

3 NOW, BASED UPON THE FOREGOING, AND GOOD CAUSE APPEARING
4 THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that
5 West Escrow, Inc. and any person having in his or her possession any escrow funds or trust funds
6 discontinue immediately the receipt or disbursement of any escrow or joint control money,
7 documents or other property in its possession, custody or control.

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

9 Financial Code section 17415 provides as follows:

10 (a) If the commissioner, as a result of any examination or from any report
11 made to him or her, shall find that any person subject to this division is in an
12 insolvent condition, is conducting escrow business in such an unsafe and
13 injurious manner as to render further operations hazardous to the public or to
14 customers, has failed to comply with the provisions of section 17212.1 or
15 17414.1, has permitted its tangible net worth to be lower than the minimum
16 required by law, has failed to maintain its liquid assets in excess of current
17 liabilities as set forth in Section 17210, or has failed to comply with the
18 bonding requirements of Chapter 2 (commencing with Section 17200) of this
19 division, the commissioner may, by an order addressed to and served by
20 registered or certified mail or personal service on such person and on any other
21 person having in his or her possession or control any escrowed funds, trust
22 funds or other property deposited in escrow with said person, direct
23 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 has been adjudged bankrupt, or
pursuant to Chapter 6 (commencing with Section 17621) of this division the
commissioner has assumed possession of the escrow agent.

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(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 of service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right for a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

Dated: November 19, 2008

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Lead Corporations Counsel