

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SOPHIA C. KIM (State Bar No. 265649)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7594
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

10
11 In the Matter of:) ESCROW LICENSE NO.: 963-1390
12 THE COMMISSIONER OF BUSINESS) AMENDED ORDER TO DISCONTINUE
13 OVERSIGHT,) ESCROW ACTIVITIES PURSUANT TO
14 Complainant,) FINANCIAL CODE SECTION 17415
15 v.)
16 ATLANTIC ESCROW CORPORATION,)
17 Respondent.)
18)
19)

20
21
22 TO: ATLANTIC ESCROW CORPORATION
23 2500 East Colorado Boulevard, Suite 250
24 Pasadena, California 91107

25 The Complainant, the Commissioner of Business Oversight of the Department of Business
26 Oversight (Commissioner) hereby issues this Order to amend and supersede the Order to
27 Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued to Atlantic Escrow
28 Corporation (Atlantic) on June 25, 2019.

1 The Commissioner finds that Atlantic has failed to comply with the bonding requirements
2 under California Code of Regulations, title 10, section 1723 of the Escrow Law to maintain
3 sufficient fidelity bond and a surety bond coverage for its fidelity deductible.

4 Based upon the foregoing, Atlantic is conducting escrow business in violation of California
5 Code of Regulations, title 10, section 1723 and is conducting business in an unsafe and injurious
6 manner as to render further operations hazardous to the public or to customers.

7 Financial Code section 17415 provides as follows:

8 (a) If the commissioner, as a result of any examination or from any report
9 made to him or her, shall find that any person subject to this division is in
10 an insolvent condition, is conducting escrow business in such an unsafe or
11 injurious manner as to render further operations hazardous to the public or
12 to customers, has failed to comply with the provisions of Section 17212.1
13 or 17414.1, has permitted its tangible net worth to be lower than the
14 minimum required by law, has failed to maintain its liquid assets in excess
15 of current liabilities as set forth in Section 17210, or has failed to comply
16 with the bonding requirements of Chapter 2 (commencing with Section
17 17200) of this division, the commissioner may, by an order addressed to
18 and served by registered or certified mail or by personal service on such
19 person and on any other person having in his or her possession or control
20 any escrowed funds, trust funds or other property deposited in escrow with
21 said person, direct discontinuance of the disbursement of trust funds by the
22 parties or any of them, the receipt of trust funds, the delivery or recording
23 of documents received in escrow, or other business operations. No person
24 having in his or her possession any of these funds or documents shall be
25 liable for failure to comply with the order unless he or she has received
26 written notice of the order. Subject to subdivision (b), the order shall
27 remain in effect until set aside by the commissioner in whole or in part,
28 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).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of Financial Code section 17415, that Atlantic immediately discontinue acceptance of new escrow business that is not covered by the Escrow Agents’ Fidelity Corporation (EAFC), and of money, documents or other property in connection therewith.

THIS AMENDED ORDER is to remain in full force and effect until 5:00 p.m. PST on August 25, 2019.

Dated: July 16, 2019
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division