



1           7.       The 10 Carat website further provided:

2                   Government agencies perform regular audits of independently licensed  
3                   escrow companies. The audit examinations serve to protect the public  
4                   funds, determine safety and soundness of operations[,] and determine  
5                   compliance with escrow statutes and regulations.

6           8.       10 Carat, Morales, and Rojas’ website created the impression that 10 Carat was  
7                   licensed as an independent escrow agent and subject to governmental oversight.

8           9.       The Commissioner of Financial Protection and Innovation has not issued a license to  
9                   10 Carat, Morales, or Rojas authorizing them to conduct business as an escrow agent, as is required  
10                  under Financial Code section 17200.

11           10.      The Commissioner of Financial Protection and Innovation has not issued a license to  
12                  10 Carat, Morales, or Rojas to advertise over the Internet that 10 Carat is in the escrow business, as is  
13                  required by Financial Code section 17403.

14                  Based upon the foregoing findings, the Commissioner of Financial Protection and Innovation  
15                  is of the opinion that 10 Carat, Morales, and Rojas have engaged in the business of an escrow agent  
16                  without first obtaining a license from the Commissioner of Financial Protection and Innovation, in  
17                  violation of Financial Code section 17200.

18                  Under Financial Code section 17416, 10 Carat, Morales, and Rojas are ordered to desist and  
19                  refrain from engaging in the business of receiving escrows for deposit or delivery without first  
20                  obtaining a license from the Commissioner of Financial Protection and Innovation.

21                  Further, the Commissioner of Financial Protection and Innovation is of the opinion that 10  
22                  Carat, Morales, and Rojas advertised on their website that 10 Carat is engaged in the business of an  
23                  escrow agent without first obtaining an escrow agent’s license from the Commissioner of Financial  
24                  Protection and Innovation, in violation of Financial Code section 17403.

25                  Under Financial Code section 17403, 10 Carat, Morales, and Rojas are ordered to desist and  
26                  refrain from issuing, circulating, or publishing any advertisement by means of any communication,  
27                  including any Internet websites, or making use of or circulating any letterhead, billhead, blank notes,  
28                  blank receipts, blank escrow instructions, certificates, circulars, or any written or printed paper

1 containing any fictitious or corporate name or other words indicating that 10 Carat is in the escrow  
2 business.

3 This Order is necessary, in the public interest, for the protection of consumers and consistent  
4 with the purposes and provisions of the Escrow Law (Fin. Code, § 17000 et seq.).

5 Dated: October 2, 2020  
6 Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Financial Protection and Innovation



7  
8 By \_\_\_\_\_  
9 MARY ANN SMITH  
10 Deputy Commissioner  
11 Enforcement Division  
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