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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO:** JB Escrow aka JB Escrow, Inc.  
20 Fairbanks  
Suite 193  
Irvine, California 92618

**DESIST AND REFRAIN ORDER**

(For violations of California Financial Code sections 17200 & 17403)

The California Corporations Commissioner finds that:

1. At all relevant times herein, JB Escrow aka JB Escrow, Inc. ("JB Escrow") conducted business at 20 Fairbanks, Suite 193, Irvine, California 92618.
2. Based on information and belief, at all relevant times herein, James Frank Barker was the control person of JB Escrow.
3. Beginning at least as early as October 2006 and continuing through at least November 2006, JB Escrow engaged in business as an escrow agent by handling escrow transactions for the borrower and lender on loans made by Innovative Mortgage Capital aka Innovative Mortgage Capital, LLC.
4. JB Escrow has not been issued a license by the Commissioner authorizing it to engage in business as an escrow agent under the California Escrow Law ("Escrow Law") (Fin. Code, §§ 17000 et seq.).
5. JB Escrow is not exempt from the licensing requirements of California Financial Code section 17200.
6. JB Escrow, in handling the escrows described above, made use of and circulated letterheads, escrow instructions, receipts and/or other documents containing words indicating that it was in the escrow business. Pursuant to California Financial Code sections 17403, no person subject to the Escrow Law is allowed to use or circulate documents containing words indicating that it is in the escrow business unless duly licensed under the Escrow Law.

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California Financial Code section 17200 provides:

It shall be unlawful for any person to engage in business as an escrow agent within this State except by means of a corporation duly organized for that purpose licensed by the commissioner as an escrow agent.

California Financial Code section 17403 provides:

(a) No person subject to this division shall issue, circulate, or publish any advertisement by any means of communication, or make use of or circulate any letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or any written, printed, partially written or printed paper containing any fictitious or corporate name or other words indicating that the person is in the escrow business, unless the person is a licensed escrow agent.

(b) If, in the opinion of the commissioner, any person, has violated this section, the commissioner may order that person to desist and refrain from that violation. If, within 30 days after the order is served, a request for a hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is rescinded.

California Financial Code section 17416 provides:

Whenever in the opinion of the commissioner any person, except as named in Section 17006, is engaged, either actually or through subterfuge, in the business of receiving escrows for deposit or delivery as defined in this division, without a license from the commissioner, the commissioner may order that person to desist and refrain from engaging in that business. If, within 30 days after such an order is served, a request for a hearing is filed in writing and the hearing is not held within 60 days thereafter, the order is rescinded.

By reason of the foregoing, JB Escrow has engaged in unlicensed escrow business in violation of California Financial Code Section 17200 and used words indicating that it is in the escrow business in violation of California Financial Code Section 17403.

Pursuant to California Financial Code sections 17403 and 17416, JB Escrow aka JB Escrow, Inc. is hereby ordered to desist and refrain from engaging in the business of receiving escrows for deposit or delivery without first obtaining a license from the Commissioner, or otherwise being exempt, and from issuing, circulating, or publishing any advertisement by any means of communication, or making use of or circulating any letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or any written, printed, partially written or

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printed paper containing any name or other words indicating that any of them are in the escrow business.

This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Escrow Law. This order shall remain in full force and effect until further order of the Commissioner.

Dated: November 17, 2008                      PRESTON DUFAUCHARD  
Los Angeles, California                      California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Lead Corporations Counsel