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

11 In the Matter of THE COMMISSIONER OF) File No.: 963-1835
12 BUSINESS OVERSIGHT,)
13 Complainant,) ORDER TO DISCONTINUE ESCROW
14) ACTIVITIES PURSUANT TO FINANCIAL
15 vs.) CODE SECTION 17415
16)
17)
18)
19)

20 TO: COOPER’S ESCROW
8111 Eastern Avenue
21 Bell Gardens, California 90201

22 COMERICA BANK
23 2321 Rosecrans Avenue, Suite 5000
24 El Segundo, California 90245

25 UNION BANK
26 445 South Figueroa Street
27 Los Angeles, California 90071
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ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT
TO FINANCIAL CODE SECTION 17415

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THE COMMISSIONER OF BUSINESS OVERSIGHT FINDS THAT:

1. On April 21, 2014, the Commissioner of Business Oversight (“Commissioner”) issued a Notice of Intention to Issue Order Revoking Escrow Agent’s License and To Issue Order Pursuant to Section 17423 (Bar from Employment, Management or Control of an Escrow Agent), Accusation and accompanying documents (“Accusation”) against Cooper’s Escrow (“Cooper’s”) and Vilma E. Cooper (“V. Cooper”). Cooper’s and V. Cooper were personally served with a copy of the Accusation on April 22, 2014. Cooper’s and V. Cooper filed Notices of Defense with the Commissioner and a three-day hearing was scheduled for November 17, 18 and 19, 2014 at the Los Angeles Office of Administrative Hearings.

2. On November 4, 2014, the parties entered into a settlement wherein Cooper’s agreed to the revocation of its escrow agent’s license and V. Cooper agreed to being barred from any position of employment, management or control of any escrow agent. The revocation and bar were to become effective on December 31, 2014 in order to allow Cooper’s time to wind down the business.

3. On or about January 26, 2015, the Commissioner, by and through staff, visited the former licensed location of Cooper’s to investigate whether Cooper’s and V. Cooper were continuing to engage in escrow activities. Cooper’s was not open at the time the Department of Business Oversight’s (“Department”) examiner first arrived at Cooper’s, but there were signs indicating Cooper’s was still in business and a neighboring tenant confirmed that Cooper’s remained in business. The Department’s examiner returned to Cooper’s former licensed location later on January 26, 2015 and commenced a special examination. V. Cooper was the only person at Cooper’s when the examiner commenced the special examination. The special examination disclosed that Cooper’s had continued to engage in escrow activities after Cooper’s escrow agent’s license was revoked and V. Cooper was barred in violation of Financial Code sections 17200 and 17423. Cooper’s had continued processing escrows that remained open as of December 31, 2015, and, according to its records had opened at least two further escrows since the revocation and bar orders took effect.

1 4. The balance in the trust account was \$159,487.31 as of December 31, 2014 and
2 \$110,619.65 as of January 26, 2015.. Documentation obtained from Cooper’s on January 26, 2015
3 disclosed an escrow liability of \$95,865.47 as January 26, 2015.

4 Based upon the foregoing, Cooper’s is conducting escrow business in such an unsafe and
5 injurious manner as to render further operations hazardous to the public or to customers.

6 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
7 THEREFORE, it is hereby ORDERED, under the provisions of section 17415 of the Financial Code,
8 that Cooper’s Escrow and any person having in his or her possession any escrow funds or trust funds
9 discontinue immediately the receipt or disbursement of any escrow or joint control money,
10 documents or other property in its possession, custody or control.

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

12 Section 17415 of the Financial Code provides as follows:

13 (a) If the commissioner, as a result of any examination or from any
14 report made to him or her, shall find that any person subject to this
15 division is in an insolvent condition, is conducting escrow business in
16 such an unsafe or injurious manner as to render further operations
17 hazardous to the public or to customers, has failed to comply with
18 the provisions of Section 17212.1 or 17414.1, has permitted its tangible
19 net worth to be lower than the minimum required by law, has failed to
20 maintain its liquid assets in excess of current liabilities as set forth in
21 Section 17210, or has failed to comply with the bonding requirements
22 of Chapter 2 (commencing with Section 17200) of this division, the
23 commissioner may, by an order addressed to and served by registered
24 or certified mail or personal service on such person and on any other
25 person having in his or her possession or control any escrowed funds,
26 trust funds or other property deposited in escrow with said person,
27 direct discontinuance of the disbursement of trust funds by the parties
28 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
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,

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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: January 29, 2015
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division