

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
4 Department of Corporations
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
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6 Attorneys for Complainant
7

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of THE CALIFORNIA) File No.: 963-2298
CORPORATIONS COMMISSIONER,)
12)
13 Complainant,) AMENDED ORDER TO DISCONTINUE
14 vs.) ESCROW ACTIVITIES PURSUANT TO
15 PREMIERE TRANSACTIONS ESCROW,) CALIFORNIA FINANCIAL CODE SECTION
16 INC.,) 17415
17 Respondent.)
18)

19 TO: PREMIERE TRANSACTIONS ESCROW, INC.,
20 23172 Plaza Pointe, Suite 110
21 Laguna Hills, California 92653

22 COMMERCIAL BANK OF CALIFORNIA
23 695 Town Center Drive, Suite 100
Costa Mesa, California 92626

24 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

- 25 1. Commencing on or about May 22, 2007, and continuing through at least August 11,
26 2008, Premiere Transactions Escrow, Inc. transferred or otherwise disbursed trust funds totaling at
27 least \$172,803.85 to its general account and/or the personal account(s) of its president, Theresa
28 Madden (“Madden”), or otherwise for the payment of business operating expenses or other non-trust

1 related expenses in violation of Financial Code sections 17409 and 17414(a)(1) and California Code
2 of Regulations, title 10, sections 1738 and 1738.2.

3 2. One recent unauthorized disbursement from the trust account, which occurred on or
4 about August 11, 2008, was issued to Madden’s son in the amount of \$3,000.00.

5 3. The unauthorized disbursements described in paragraphs 1 and 2 above have caused a
6 shortage of at least \$138,721.24 to currently exist in the trust account of Premiere Transactions
7 Escrow, Inc. in violation of California Code of Regulations, title 10, section 1738.1.

8 4. Premiere Transactions Escrow, Inc. has abandoned the escrow business and the
9 landlord is in the process of evicting Premiere Transactions Escrow, Inc. from its licensed location.
10 The Commissioner has been unable to locate Madden, and thus has been unable to make demand
11 upon Premiere Transactions Escrow, Inc. to cure the trust account shortage.

12 5. As of August 20, 2008, there remained a balance of \$87,845.11 in the trust account of
13 Premiere Transactions Escrow, Inc. Notwithstanding Premiere Transactions Escrow, Inc.’s
14 abandonment of the escrow business, unauthorized disbursement(s) from the trust account have
15 continued to occur, such as the one described in paragraph 2 above.

16 Based upon the foregoing, Premiere Transactions Escrow, Inc. is conducting escrow business
17 in such an unsafe and injurious manner as to render further operations hazardous to the public or to
18 customers.

19 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
20 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California
21 Financial Code, that Premiere Transactions Escrow, Inc. and any person having in his or her
22 possession any escrow funds or trust funds discontinue immediately the receipt or disbursement of
23 any escrow or joint control money, documents or other property in its possession, custody or control.

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

25 California Financial Code section 17415 provides as follows:

26 (a) If the commissioner, as a result of any examination or from any
27 report made to him or her, shall find that any person subject to this
28 division is in an insolvent condition, is conducting escrow business in
such an unsafe or injurious manner as to render further operations
hazardous to the public or to customers, has failed to comply with

1 the provisions of Section 17212.1 or 17414.1, has permitted its tangible
2 net worth to be lower than the minimum required by law, has failed to
3 maintain its liquid assets in excess of current liabilities as set forth in
4 Section 17210, or has failed to comply with the bonding requirements
5 of Chapter 2 (commencing with Section 17200) of this division, the
6 commissioner may, by an order addressed to and served by registered
7 or certified mail or personal service on such person and on any other
8 person having in his or her possession or control any escrowed funds,
9 trust funds or other property deposited in escrow with said person,
10 direct discontinuance of the disbursement of trust funds by the parties
11 or any of them, the receipt of trust funds, the delivery or recording of
12 documents received in escrow, or other business operations. No person
13 having in his or her possession any of these funds or documents shall be
14 liable for failure to comply with the order unless he or she has received
15 written notice of the order. Subject to subdivision (b), the order shall remain
16 in effect until set aside by the commissioner in whole or in part, the person
17 has been adjudged bankrupt, or pursuant to Chapter 6 (commencing with
18 Section 17621) of this division the commissioner has assumed possession
19 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 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).

20 This Amended Order is retroactive to August 22, 2008.

21 Dated: August 25, 2008
22 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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24 By _____
25 Alan S. Weinger
26 Acting Deputy Commissioner
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