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California Corporations Commissioner
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7 Attorneys for Complainant
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of THE CALIFORNIA) File No.: 963-2122
CORPORATIONS COMMISSIONER,)
13)
14 Complainant,) ORDER TO DISCONTINUE ESCROW
) ACTIVITIES PURSUANT TO CALIFORNIA
15 vs.) FINANCIAL CODE SECTION 17415
16 SHIRAZ ESCROW, INC.,)
17 Respondent.)
18)
19)

20 TO: SHIRAZ ESCROW, INC.
21 6520 Platt Avenue, Suite 836
22 West Hills, California 91307

23 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

24 SHIRAZ ESCROW, INC. does not have a person stationed at its licensed location that meets
25 the experience requirements of Financial Code section 17200.8,

26 SHIRAZ ESCROW, INC. has failed to maintain books and records in accordance with the
27 Escrow Law (California Financial Code sections 17000 et seq.) as follows:
28

1 1. SHIRAZ ESCROW, INC. has not reconciled its trust account since its licensure on
2 January 26, 2005 in violation of Financial Code Section 17404 and California Code of Regulations,
3 title 10, sections 1732 and 1732.2.

4 2. SHIRAZ ESCROW, INC. has failed to prepare monthly escrow liability reports since
5 its licensure on January 26, 2005 in violation of Financial Code Section 17404 and California Code
6 of Regulations, title 10, sections 1732 and 1732.2.

7 3. SHIRAZ ESCROW, INC. has failed to prepare a manual control since its licensure on
8 January 26, 2005 in violation of Financial Code Section 17404 and California Code of Regulations,
9 title 10, sections 1732 and 1732.2.

10 As a result of SHIRAZ ESCROW, INC.'s failure to maintain proper books and records, the
11 Commissioner has been unable to determine whether a shortage exists in the trust account of
12 SHIRAZ ESCROW, INC. or whether it meets the tangible net worth and liquid asset requirements of
13 the California Financial Code section 17210.

14 Based upon the foregoing, SHIRAZ ESCROW, INC. is conducting escrow business in such
15 an unsafe and injurious manner as to render further operations hazardous to the public or to
16 customers.

17 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
18 THEREFORE, it is hereby ORDERED, under the provisions of California Financial Code section
19 17415, that SHIRAZ ESCROW, INC. immediately discontinue acceptance of any new escrow or
20 joint control business, and of money, documents or other property in connection therewith.

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

22 California Financial Code section 17415 provides as follows:

- 23 (a) If the commissioner, as a result of any examination or from any
24 report made to him or her, shall find that any person subject to this
25 division is in an insolvent condition, is conducting escrow business in
26 such an unsafe or injurious manner as to render further operations
27 hazardous to the public or to customers, has failed to comply with
28 the provisions of Section 17212.1 or 17414.1, has permitted its tangible
net worth to be lower than the minimum required by law, has failed to
maintain its liquid assets in excess of current liabilities as set forth in
Section 17210, or has failed to comply with the bonding requirements
of Chapter 2 (commencing with Section 17200) of this division, the

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commissioner may, by an order addressed to and served by registered or certified mail or personal service on such person and on any other person having in his or her possession or control any escrowed funds, trust funds or other property deposited in escrow with said person, direct discontinuance of the disbursement of trust funds by the parties 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 has been adjudged bankrupt, 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 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: October 17, 2006
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner



By Kathleen R. Partin
Special Administrator
Escrow Law