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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. CASA BLANCA ESCROW, INC. and ERLINDA HERNANDEZ, Respondents.	File No.: 963-2196 ACCUSATION

The Complainant is informed and believes, and based upon such information and belief, alleges and charges Respondents as follows:

I

Respondent Casa Blanca Escrow, Inc. ("Casa Blanca") is an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). Casa Blanca has its principal place of business located at 436 S. Citrus Avenue, Covina, California 91723.

Respondent Erlinda Hernandez ("Hernandez") is, and was at all times relevant herein, the president and sole shareholder of Casa Blanca.

State of California – Department of Corporations

State of California – Department of Corporations

II

On or about September 3, 2010, the Commissioner, by and through staff, commenced a regulatory examination of the books and records of Casa Blanca. The regulatory examination disclosed that Casa Blanca had not reconciled its trust account since August 31, 2009 in violation of Financial Code section 17404 and California Code of Regulations, title 10, section 1732.2.

When Casa Blanca finally submitted a trust account reconciliation for the period ended August 31, 2010 to the Department of Corporations ("Department") on or about December 15, 2010, the reconciliation contained two-hundred and seventeen (217) adjusting items that needed correction, with some items dating back to 2007.

The regulatory examination further revealed that Casa Blanca, by and through Hernandez, had made unauthorized disbursements in at least forty-one (41) escrows totaling $58,117.79 between January 2006 and October 2010 in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The regulatory examination additionally revealed that Hernandez made numerous posting adjustments to escrow ledgers to attempt to cover up the unauthorized disbursements in violation of Financial Code section 17414(a)(1). The unauthorized disbursements of trust funds also caused a shortage to exist in the trust account in violation of California Code of Regulations, title 10, section 1738.1. The unauthorized disbursements and other violations noted during the regulatory examination are described as follows:

1. Escrow Number 1101:

(a) On or about November 11, 2005, a refund from Landsafe Title was receipted in for escrow number 1101 in the amount of $1,067.31. Respondents made no attempt to refund the monies to the seller until on or about March 31, 2008, but voided the refund check on the escrow ledger that same day. Thereafter, on or about February 23, 2009, Respondents disbursed the $1,067.31 title refund to Casa Blanca by way of trust check number 19638.

2. Escrow Number 1256:

(a) On or about September 11, 2005, a refund from Stewart Title was receipted in for escrow number 1256 in the amount of $1,000.00. Respondents made no attempt to refund the monies to the appropriate escrow party, and on or about August 15, 2008, Respondents disbursed

$693.34 of the title refund to Casa Blanca by way of trust check number 19353.

3. Escrow Number 1321:

(a) On or about November 3, 2005, a refund from Investors Title Company was receipted in for escrow number 1321 in the amount of $200.00. Respondents issued a refund check to the borrower on or about November 7, 2005, but voided the outstanding refund check on the escrow ledger on or about January 29, 2006. That same day, Respondents disbursed the $200.00 title refund to Casa Blanca by way of trust check number 13571.

(b) On or about August 29, 2005, Respondents wired $397.96 less in proceeds to the borrower than what was owed according to the closing statement. Thereafter, on or about August 15, 2008, Respondents disbursed the $397.96 to Casa Blanca via trust check number 19354.

4. Escrow Number 1336:

(a) On or about August 4, 2005 and November 28, 2005, Respondents cancelled outstanding trust check numbers 11326 and 11350 issued on August 2, 2005 to Informative Research and McCraw Insurance in the amounts of $165.00 and $512.00 respectively. Thereafter, on or about August 15, 2008, Respondents disbursed such funds totaling $677.00 to Casa Blanca via trust check number 19356.

5. Escrow Number 1714:

(a) On or about February 15, 2006, Respondents paid Goodyear Home Loans Corp. $500.00 less than what was owed according to the closing statement. Thereafter, on or about August 21, 2008, Respondents disbursed $391.40 of the $500.00 to Casa Blanca via trust check number 19368.

6. Escrow Number 1723:

(a) On or about June 1, 2009, Respondents violated Financial Code sections 17404 and 17414(a)(2) when they posted trust check number 18208 in the amount of $1,055.00 as void on the escrow ledger in that trust check number 18208 had already cleared the bank on or about August 31, 2007.

(b) Thereafter, on or about June 1, 2009 and January 12, 2010, Respondents disbursed the $1,055.00 to Casa Blanca by issuing trust check numbers 19884 and 20399 in the respective

State of California – Department of Corporations

amounts of $900.00 and $155.00.

7. Escrow Number 1754:

(a) On or about February 13, 2006, Respondents paid the buyer $265.94 less than what was owed according to the closing statement. Thereafter, on or about January 26, 2010, Respondents disbursed the $265.94 to Casa Blanca via trust check number 20420.

8. Escrow Number 1760:

(a) On or about January 29, 2008, Respondents cancelled outstanding trust check number 13805 that had been issued on February 22, 2006 to UNLV/CITI in the amount of $192.00. Then, on or about August 21, 2008, Respondents disbursed the $192.00 to Casa Blanca via trust check number 19363.

9. Escrow Number 1860:

(a) On or about March 28, 2006, Respondents paid the buyer $1,000.00 less than what was owed according to the closing statement. Thereafter, on or about May 25, 2006, Respondents over disbursed escrow fees to Casa Blanca by $100.00 via transfer to the fee account. Then, on or about August 21, 2008, Respondents disbursed the remaining $900.00 to Casa Blanca via trust check number 19364.

10. Escrow Number 1864:

(a) On or about August 31, 2006, a refund from Landsafe Title was receipted in for escrow number 1864 in the amount of $891.83. Respondents made no attempt to refund the monies to the appropriate escrow party, and on or about August 21, 2008 and January 10, 2010, Respondents disbursed the 891.83 title refund to Casa Blanca by way of trust check numbers 19365 and 20400 in the respective amounts of $565.38 and $326.45.

11. Escrow Number 1938:

(a) On or about August 21, 2008, Respondents disbursed the sum of $542.81 to Casa Blanca via trust check number 19366. The $542.81 consisted of the remaining funds left after close of escrow, which closing occurred on or about May 17, 2006.

12. Escrow Number 2062:

(a) On or about August 21, 2008, Respondents disbursed the sum of $178.08 to Casa

State of California – Department of Corporations

Blanca via trust check number 19367. The $178.08 consisted of the remaining funds left after close of escrow, which closing occurred on or about June 30, 2006.

13. Escrow Number 2155:

(a) On or about October 24, 2006, a refund from North American Title was receipted in for escrow number 2155 in the amount of $1,500.00. Respondents made no attempt to refund the monies to the appropriate escrow party. Then, on or about March 5, 2009, Respondents disbursed $1,200.00 of the $1,500.00 title refund to Casa Blanca via a transfer to the fee account despite having already taken full escrow fees at close of escrow in August 2006.

(b) On or about June 30, 2008, Respondents failed to post to the escrow ledger trust check number 19272 they issued in the amount of $2,270.70 in violation of Financial Code section 17404 and California Code of Regulations, title 10, section 1732.2(a)(1). Respondents' failure to post trust check number 19272 gave the appearance that there was $2,270.70 more on deposit in the escrow. Respondents finally posted trust check number to the escrow ledger on or about December 28, 2008, but posted the check as voided despite the check having cleared the bank on or about July 1, 2008.

(c) On or about February 9, 2010, Respondents disbursed a further $600.00 to Casa Blanca via transfer to the fee account despite having already taken full escrow fees at close of escrow in August 2006.

14. Escrow Number 2368:

(a) On or about June 1, 2009, Respondents disbursed $750.00 to Casa Blanca via trust check number 19882 despite having already taken full escrow fees at close of escrow in November 2006.

(b) On or about February 9, 2010, Respondents disbursed an additional $500.00 in escrow fees to Casa Blanca via transfer to the fee account despite having already taken full escrow fees at close of escrow in November 2006.

15. Escrow Number 2657:

(a) On or about January 27, 2010, Respondents cancelled outstanding trust check number 18226 that had been issued on April 17, 2007 to ASAP Mortgage in the amount of $565.00 and on

State of California – Department of Corporations

the same day disbursed the $565.00 to Casa Blanca via trust check number 20421.

16. Escrow Number 2812:

(a) On or about July 2, 2009, Respondents disbursed $80.81 to Casa Blanca via trust check number 19973. This disbursement also violated California Code of Regulations, title 10, section 1738.1 as there were no funds on credit in escrow number 2812 due to the disbursement described in paragraph (b) below. Respondents additionally violated Financial Code section 17414(a)(2) and California Code of Regulations, title 10, section 1732.2(a)(1) by failing to post this disbursement to the escrow ledger.

(b) On or about September 9, 2010, Respondents violated Financial Code section 17414(a)(2) when they posted trust check number 19675 dated July 2, 2009 in the amount of $80.81 to Casa Blanca as void on the escrow ledger when trust check number 19675 had cleared the bank in or about July 2009.

17. Escrow Number 3042:

(a) On or about February 19, 2009, Respondents disbursed $344.97 in escrow fees to Casa Blanca via transfer to the fee account despite having already taken full escrow fees at close of escrow in December 2007.

(b) On or about October 27, 2010, Respondents disbursed a further $300.00 in escrow fees to Casa Blanca via transfer to the fee account in addition to the $344.97 described in paragraph (a) above despite having already taken full escrow fees at close of escrow in December 2007.

18. Escrow Number 3046:

On or about January 27, 2010, Respondents disbursed $300.00 to Casa Blanca via trust check number 20423.

19. Escrow Number 3114:

(a) On or about December 15, 2008, Respondents disbursed $750.00 to Casa Blanca as escrow fees via transfer to the fee account. The $750.00 paid to Casa Blanca was part of the $1,000.00 deposit made by the buyer on or about July 15, 2008.

(b) On or about September 9, 2009, Respondents refunded $650.00 of the buyer's deposit causing a debit balance in the escrow in violation of California Code of Regulations, title 10, section

State of California – Department of Corporations

1738.1 in that insufficient funds existed in this escrow to make the refund in that the escrow fees taken by Respondents on or about December 15, 2008 left only a $250.00 balance in the escrow.

(c) On or about September 9, 2009, Respondents also violated Financial Code section 17414(a)(2) when they failed to post the $650.00 refund to the escrow ledger, thereby giving the appearance that the escrow had a positive balance of $250.00, when it was overdrawn by $400.00.

(d) On or about January 12, 2010, Respondents disbursed a further $250.00 to Casa Blanca via trust check number 20402. This disbursement also violated California Code of Regulations, title 10, section 1738.1 as it caused the debit balance in the escrow to increase to $650.00.

20. Escrow Number 3134:

(a) On or about November 28, 2008, Respondents disbursed $1,500.00 to Casa Blanca via trust check number 19535. Respondents also violated Financial Code section 17414(a)(2) and California Code of Regulations, title 10, section 1732.2(a)(1) on or about December 29, 2008 by posting this paid check as voided on the escrow ledger. By voiding the check on the escrow ledger, Respondents gave the appearance that the escrow had $1,500.00 more to its credit than existed.

(b) On or about December 15, 2008, Respondents disbursed a further $1,200.00 to Casa Blanca via a transfer to the fee account.

(c) On or about March 4, 2009, Respondents violated Financial Code section 17414(a)(2) when they failed to post to the escrow ledger trust check number 19639 in the amount of $2,950.00 to an escrow party. Respondents also violated California Code of Regulations, title 10, section 1738.1 when they made this disbursement in that the escrow had insufficient funds to cover the refund because of the $2,700.00 disbursed to Casa Blanca as described in paragraphs (a) and (b) above.

21. Escrow Number 3140:

(a) On or about July 28, 2008, Respondents disbursed $300.00 to Casa Blanca via trust check number 19304. Respondents also violated California Code of Regulations, title 10, section 1738.1 when they made this disbursement in that the escrow had insufficient funds to cover the disbursement.

State of California – Department of Corporations

(b) Respondents further violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2(a)(1) by failing to post this check to the escrow ledger until on or about January 16, 2009, and then posting the check as $0.00. Trust check number 19304 cleared the bank on or about July 28, 2008.

22. Escrow Number 3147:

(a) On or about December 8, 2008, Respondents violated Financial Code sections 17404 and 17414(a)(2) when they issued receipt number 3055 in the amount of $350.00 when there were no funds deposited to the credit of this escrow.

(b) Thereafter, on or about January 29, 2009, Respondents disbursed $350.00 to Casa Blanca via transfer to the fee account. This disbursement also violated California Code of Regulations, title 10, section 1738.1 as the escrow had no funds to cover the disbursement.

23. Escrow Number 3158:

(a) On or about July 2, 2008, Respondents violated Financial Code sections 17404 and 17414(a)(2) when they posted trust check number 19265 in the amount of $1,475.00 to a vendor as void on the escrow ledger. Trust check number 19265 had cleared the bank on or about June 30, 2008.

(b) Thereafter, on or about January 14, 2009, Respondents disbursed $1,475.00 to Casa Blanca via trust check number 19618.

24. Escrow Number 3171:

(a) On or about May 15, 2008, Respondents disbursed $1,500.00 in escrow fees to Casa Blanca via transfer to the fee account. Respondents also violated California Code of Regulations, title 10, section 1738.1 in that the $1,500.00 was disbursed to Casa Blanca against a deposit that had yet to clear the bank. On or about May 22, 2008, the deposit was returned non-sufficient funds.

25. Escrow Number 3180:

(a) On or about December 18, 2008, Respondents over disbursed escrow fees to Casa Blanca by $1,511.00 via trust check number 19593. The closing statement prepared by Casa Blanca set forth escrow fees as $1,450.00. However, Respondents disbursed $2,961.00 to Casa Blanca.

(b) On or about December 24, 2008, Respondents disbursed $2,200.00 to Hernandez via

State of California – Department of Corporations

trust check number 19597.

(c) On or about February 9, 2009, Respondents disbursed a further $3,961.00 to Casa Blanca via trust check number 19630.

(d) On or about June 10, 2009, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check number 19896 to J. B. Casa Jr., Esq. in the amount of $12,200.00 to the escrow ledger.

26. Escrow Number 3195:

On or about January 14, 2009, a refund from First American Title was receipted in for escrow number 3195 in the amount of $4,389.39. Respondents made no attempt to refund the monies to the appropriate escrow party, and instead on or about January 30, 2009, disbursed $3,389.00 of the $4,389.39 title refund to Casa Blanca by way of trust check number 19628.

27. Escrow Number 3207:

(a) On or about September 5, 2008, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post an outgoing wire to State Lending Corp. in the amount of $8,625.00 to the escrow ledger.

(b) On or about September 5, 2008, Respondents over disbursed escrow fees to Casa Blanca by $595.30 via trust check number 19383. The closing statement prepared by Casa Blanca set forth escrow fees as $3,075.70. However, Respondents disbursed $3,671.00 to Casa Blanca.

(c) On or about September 12, 2008, Respondents disbursed a further $3,671.00 to Casa Blanca via trust check number 19398.

28. Escrow Number 3266:

(a) On or about November 26, 2008, Respondents deposited $1,000.00 received for escrow number 3266 into the general account where they used the funds to pay operating expenses.

(b) Respondents also violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post the funds received on or about November 26, 2008 to the escrow ledger until on or about April 9, 2010.

29. Escrow Number 3273:

(a) On or about January 22, 2009, Respondents violated Financial Code sections 17404

State of California – Department of Corporations

and 17414(a)(2) when they posted trust check number 19622 in the amount of $4,000.00 to an escrow party as void on the escrow ledger. Trust check number 19622 cleared the bank on or about January 23, 2009.

(b) Thereafter, on or about January 22, 2009, Respondents disbursed $1,400.00 to Casa Blanca via transfer to the fee account.

30. Escrow Number 3295:

(a) On or about July 23, 2009, Respondents disbursed the sum of $1,975.00 to Casa Blanca via trust check number 20002. The $1,975.00 paid to Casa Blanca represented almost the entire balance for Escrow number 3295 and was a deposit made by the buyer on or about February 19, 2009.

(b) On or about November 13, 2009, Respondents violated Financial Code sections 17404 and 17414(a)(2) when they failed to post trust check number 20277 in the amount of $1,100.00 to an escrow party to the escrow ledger.

(c) Respondents also violated California Code of Regulations, title 10, section 1738.1 as the escrow had insufficient funds to cover the refund described in paragraph (b) above as Respondents had already disbursed $1,975.00 of the $2,000.00 to Casa Blanca.

31. Escrow Number 3312:

(a) On or about January 9, 2009, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they received a deposit of $3,000.00 for escrow number 3312, but failed to prepare a receipt or post it to the escrow ledger until on or about December 3, 2010.

(b) On or about January 12, 2009, Respondents transferred the $3,000.00 received for escrow number 3312 over to the general account where the funds were used to pay operating expenses.

32. Escrow Number 3326:

(a) On or about April 10, 2009, Respondents deposited $1,913.64 received from Chicago Title for escrow number 3266 into the general account where the funds were used to pay operating expenses.

State of California – Department of Corporations

33. Escrow Number 3334:

(a) On or about August 31, 2009, Respondents over disbursed escrow fees to Casa Blanca by $250.00 via transfer to the fee account. The closing statement prepared by Casa Blanca set forth escrow fees as $2,847.50. However, Respondents disbursed $3,097.50 to Casa Blanca.

(b) Thereafter, on or about September 23, 2009, Respondents disbursed a further $250.00 to Casa Blanca via trust check number 20127.

(c) That same day, Respondents disbursed a further $655.39 to Casa Blanca via trust check number 20128. With respect to this disbursement, Respondents also violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post the disbursement to Casa Blanca to the escrow ledger.

34. Escrow Number 3447:

(a) On or about July 2, 2009, Respondents disbursed $1,650.00 to Casa Blanca via trust check number 19972. With respect to this disbursement, Respondents also violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when on or about July 6, 2009, they posted the disbursement to Casa Blanca as voided on the ledger. Trust check number 19972 cleared the bank on or about July 2, 2009.

35. Escrow Number 3471:

(a) On or about July 16, 2009, Respondents deposited $600.00 received from an escrow party for escrow number 3471 into the general account where the funds were used to pay operating expenses.

36. Escrow Number 3477:

(a) On or about April 2, 2010, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check number 20559 in the amount of $715.19 payable to the buyers to the escrow ledger.

(b) On or about April 2, 2010, Respondents over disbursed escrow fees to Casa Blanca by $550.00 via transfer to the fee account. The closing statement prepared by Casa Blanca set forth escrow fees as $3,185.00. However, Respondents disbursed $3,735.00 to Casa Blanca.

(c) On or about June 4, 2010, Respondents violated Financial Code sections 17404 and

State of California – Department of Corporations

17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check number 20719 in the amount of $240.00 payable to the homeowners association to the escrow ledger.

37. Escrow Number 3497:

(a) On or about August 19, 2009, the same day Casa Blanca received a $5,000.00 deposit to open escrow; Respondents disbursed $4,500.00 in escrow fees to Casa Blanca via transfer to the fee account. There is no closing statement detailing escrow fees as the escrow cancelled.

(b) On or about October 8, 2009, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check number 20176 in the amount of $1,481.50 payable to the buyers to the escrow ledger. This disbursement also violated California Code of Regulations, title 10, section 1738.1 because there were insufficient funds to the credit of escrow number 3497 to cover the disbursement in light of the $4,500.00 taken in fees by Respondents at the beginning of escrow.

38. Escrow Number 3510:

(a) On or about January 6, 2010, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check numbers 20379 and 20386 in the respective amounts of $870.00 and $350.00 payable to BugMasters and an escrow party to the escrow ledger.

(b) On or about January 6, 2010, Respondents over disbursed escrow fees to Casa Blanca by $254.24 via transfer to the fee account. The closing statement prepared by Casa Blanca set forth escrow fees as $2,565.76. However, Respondents disbursed $2,820.00 to Casa Blanca.

39. Escrow Number 3537:

(a) On or about April 30, 2010, Respondents disbursed $3,265.00 in escrow fees to Casa Blanca via transfer to the fee account. Respondents also violated California Code of Regulations, title 10, section 1738.1 in that the $3,265.00 was disbursed to Casa Blanca against a November 6, 2009 deposit that had been returned non-sufficient funds on or about November 13, 2009.

40. Escrow Number 3552:

(a) On or about December 29, 2009, Respondents disbursed $1,000.00 to Casa Blanca

State of California – Department of Corporations

via trust check number 20348. With respect to this disbursement, Respondents also violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when on or about January 26, 2010, they posted the disbursement to Casa Blanca as voided on the escrow ledger. Trust check number 20348 cleared the bank on or about December 29, 2009.

(b) On or about January 6, 2010, Respondents further violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post trust check number 20378 in the amount of $1,495.00 payable to Gage Exterminators to the ledger. Trust check number 20378 cleared the bank on or about January 7, 2010.

41. Escrow Number 3562:

(a) On or about March 8, 2010, Respondents violated Financial Code sections 17404 and 17414(a)(2) and California Code of Regulations, title 10, section 1732.2 when they failed to post an outgoing wire to Bank of America in the amount of $3,889.45 to the escrow ledger.

(b) On or about March 3, 2010, Respondents over disbursed escrow fees to Casa Blanca by $1,016.77 via transfer to the fee account. The closing statement prepared by Casa Blanca set forth escrow fees as $2,988.23. However, Respondents disbursed $4,005.00 to Casa Blanca.

III

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("audit report") within one hundred and five (105) days after the close of their fiscal year. Casa Blanca's fiscal year end is August 31. Accordingly, Casa Blanca was required to file its audit report for the fiscal year ended August 31, 2011 on or before December 15, 2011.

On or about July 13, 2011, Complainant notified Casa Blanca in writing that its audit report was due December 15, 2011. Respondent failed to file the audit report by December 15, 2011.

On or about December 20, 2011, a follow up letter was sent to Casa Blanca demanding the audit report be filed no later than December 30, 2011, and notifying Casa Blanca that failure to file the audit report by December 30, 2011 could result in a revocation of its license along with being assessed penalties in the amount of $100.00 for the first five days and $500.00 a day for each day thereafter that audit report was late.

State of California – Department of Corporations

Casa Blanca has yet to submit the 2011 audit report as required by Financial Code section 17406.

Casa Blanca previously failed to timely file its 2008 audit report until December 15, 2010 (731 days late), its 2009 audit report until February 24, 2011 (436 days late) and its 2010 audit report until September 21, 2011 (280 days late).

IV

California Financial Code section 17608 provides in pertinent part:

> The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:
>
> (b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.
>
> (c) Any fact or condition now exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

California Financial Code section 17423 provides in pertinent part:

> (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:
>
> (1) That the . . . bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

IV

Complainant finds that, by reason of the foregoing, Respondents Casa Blanca and Hernandez have violated Financial Code sections 17404, 17406, 17414(a)(1) and 17414(a)(2) and California Code of Regulations, title 10, sections 1732.2, 1738, 1738.1, and 1738.2 and it is in the best interests of the public to revoke the escrow agent's license of Respondent Casa Blanca and to bar Respondent Hernandez from any position of employment, management or control of any escrow agent.

State of California – Department of Corporations

WHEREFORE, IT IS PRAYED that Respondent Hernandez be barred from any position of employment, management or control of any escrow agent and the escrow agent's license of Respondent Casa Blanca be revoked.

Dated: July 6, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By_____
Judy L. Hartley
Senior Corporations Counsel

State of California – Department of Corporations