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FILED

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DEPARTMENT OF REAL ESTATE
By R. Mar

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12) No. H-4217 SD
13 CERTIFIED ESCROW, INC.)
14 and BRIAN WILLIAM WHITE,) ACCUSATION
15 Respondents.)

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17 The Complainant, JOSEPH AIU, a Deputy Real Estate Commissioner of the
18 State of California, for cause of Accusation against CERTIFIED ESCROW, INC., ("CEI"), and
19 BRIAN WILLIAM WHITE ("WHITE"), (collectively "Respondents"), is informed and alleges
20 as follows:

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22 The Complainant makes this Accusation in his official capacity.

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24 CEI is licensed by the Department of Real Estate ("the Department") as a
25 corporate real estate broker.

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27 WHITE is licensed by the Department as a real estate broker.

WHITE is licensed by the Department as the designated broker/officer of CEI. As the designated broker/officer, WHITE is responsible, pursuant to Section 10159.2 of the Code (responsibility of corporate broker in charge), for the supervision of the activities of the officers, agents, real estate licensees and employees of CEI for which a real estate license is required.

At all times relevant herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a loan escrow business with the public, wherein, on behalf of others, for compensation or in expectation of compensation, Respondents collected payments or performed services for lenders or borrowers in connection with loans secured directly or collaterally by liens on real property.

Whenever reference is made in an allegation in this Accusation to an act or omission of CEI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondent CEI committed such act or omission while engaged in furtherance of the business or operations of Respondent CEI and while acting within the course and scope of their corporate authority and employment.

FIRST CAUSE OF ACTION

On or about the period of December 10, 2010, and continuing intermittently through January 10, 2011, an audit was conducted of the records of CEI at its main office

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1 located at 2650 Camino del Rio North, Suite 351, San Diego, California. The auditor herein
2 examined the records for the period of June 1, 2009, through November 30, 2010 (the audit
3 period).

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5 While acting as a real estate broker as described in Paragraph 5, above, and
6 within the audit period, Respondents accepted or received funds in trust (trust funds) from or
7 on behalf of lenders, investors, borrowers and others in connection with mortgage activities,
8 and deposited or caused to be deposited those funds into a bank account maintained by
9 Respondents, including:

10 Trust Account #1

11 Union Bank
12 P. O. Box 513840
Los Angeles, California 90051

13 Account No. 9120237176

14 Account Name: "Certified Escrow Inc. Escrow Trust Account"

15 Signatories: Brian W. White (D.O./REB)
16 B. Maureen White (unlicensed; non-employee)
Matthew Copley (unlicensed; non-employee)
17 Danielle M. Copley (unlicensed; non-employee)
Jaclyn Kernion (unlicensed; non-employee)
18 Mayra Murillo (unlicensed; non-employee)

19 Thereafter, from time to time, Respondents made disbursements of said trust funds.

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21 In the course of the activities described in Paragraph 5, above, in connection
22 with the collection and disbursement of trust funds:

23 (a) On or about November 30, 2010, there was a \$320.50 shortage for Trust
24 Account #1. CEI did not provide evidence that the owners of the trust funds had given their
25 written consent allowing it to reduce the balance of the funds in Trust Account #1 to an amount
26 less than the existing aggregate trust fund liabilities. Such acts and/or omissions by CEI violate

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1 Section 10145 (handling of trust funds) of the Code and Section 2832.1 (trust fund handling for
2 multiple beneficiaries) of Title 10 of the California Code of Regulations ("the Regulations").

3 (b) On or about November 30, 2010, CEI held broker funds of more than
4 \$200 in Trust Account #1. Such acts and/or omissions by CEI violate Section 10176(e)
5 (grounds for revocation or suspension – commingling money or property) of the Code and
6 Section 2835 (commingling of funds) of the Regulations.

7 (c) CEI allowed B. Maureen White, Matthew Copley, Danielle M. Copley,
8 Jaclyn Kernion and Mayra Murillo, all unlicensed and non-employees, to be signatories on
9 Trust Account #1 with fidelity bond coverage of \$100,000. Such acts and/or omissions by CEI
10 violate Section 10145 of the Code and Sections 2834 (trust account withdrawals) and 2951 of
11 the Regulations.

12 (d) Between December 30, 2009, and November 30, 2010, CEI maintained
13 an inadequate amount of fidelity bond coverage for Trust Account #1 based on an account
14 balance that exceeded the amount of the bond coverage during that time period. Such acts
15 and/or omissions by CEI violated Section 10145 of the Code and Sections 2834 and 2951
16 (recordkeeping and trust fund handling by escrow holder) of the Regulations.

17 (e) CEI failed to retain complete copies of all cancelled checks for Trust
18 Account #1. Such acts and/or omissions by CEI violate Section 10148 (records retention
19 requirements) of the Code.

20 Such acts and/or omissions of CEI violate Sections 10145, 10148 and 10176(e)
21 of the Code, and Sections 2832.1, 2834, 2835 and 2951 of the Regulations.

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23 The acts and/or omissions of CEI, as alleged in Paragraph 9, above, are grounds
24 for discipline under Sections 10176(e) and 10177(g) (demonstrated negligence or
25 incompetence involving acts for which license is required).

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1 SECOND CAUSE OF ACTION

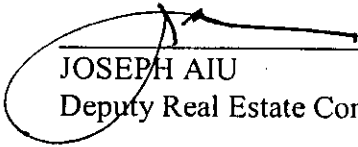
2 11

3 At all times relevant herein, WHITE was responsible, as the designated
4 broker/officer for CEI, for the supervision and control of the activities conducted on behalf of
5 the corporation by its officers and employees. WHITE failed to exercise reasonable
6 supervision and control over the property mortgage loan brokering activities of CEI. In
7 particular, WHITE permitted, ratified and/or caused the conduct described in the First Cause of
8 Action, above, to occur, and failed to take reasonable steps, including, but not limited to, the
9 handling of trust funds, supervision of employees and the implementation of policies, rules,
10 procedures and systems to ensure the compliance of the corporation with the Real Estate Law
11 and the Regulations. Such acts and/or omissions of WHITE violate Section 10159.2 of the
12 Code (supervision responsibility of corporate officer in charge) and Section 2725 of the
13 Regulations (broker supervision requirement).

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15 The acts and/or omissions of WHITE, as set forth in Paragraph 11, above,
16 constitute grounds for disciplinary action under Sections 10177(g) and 10177(h) (reasonable
17 supervision responsibility of broker) of the Code.

18 WHEREFORE, Complainant prays that a hearing be conducted on the
19 allegations of this Accusation, and that upon proof thereof, a decision be rendered imposing
20 disciplinary action against all licenses and license rights of Respondents under the Code, and
21 for such other and further relief as may be proper under applicable provisions of law.

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24 
25 JOSEPH AIU
26 Deputy Real Estate Commissioner

26 Dated at San Diego, California,
27 this 4 day of August, 2011.