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**FILED**  
JUN 26 2020  
DEPT. OF REAL ESTATE  
*@Jelbu*

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of ) DRE No. H41705 LA  
13 )  
14 ESCROW IN A CINCH INC, doing business )  
15 as Bay Cities Escrow, A Non-Independent )  
16 Broker Escrow and Capital Loans; and )  
17 RUSSEL ISLAM, individually and as )  
18 Designated Officer of Escrow in a Cinch Inc., ) ACCUSATION  
19 Respondents. )  
20 )  
21 )  
22 )

23 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
24 State of California, for cause of Accusation against ESCROW IN A CINCH INC, doing  
25 business as Bay Cities Escrow, A Non-Independent Broker Escrow and Capital Loans, and  
26 RUSSEL ISLAM, individually and as designated officer of Escrow in a Cinch Inc, (sometimes  
27 collectively referred to as "Respondents") alleges as follows:

1.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
State of California, makes this Accusation in her official capacity.

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All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6 of the California Code of Regulations.

LICENSE HISTORY

(ESCROW IN A CINCH INC)

3.

a. Respondent ESCROW IN A CINCH INC ("EIACI") is presently licensed and/or has license rights under the Code as a corporate real estate broker, Department of Real Estate ("Department") license ID 02053707.

b. Respondent EIACI's corporate real estate license was originally issued on January 23, 2018, and is scheduled to expire on January 22, 2022, unless renewed.

c. According to the Department's records to date, Respondent EIACI's main office address 2121 Rosecrans Avenue, Suite 2310, El Segundo, California.

d. Respondent EIACI's designated officer is Respondent RUSSEL ISLAM ("ISLAM").

e. According to the Department's records to date, Respondent EIACI currently maintains the fictitious business names "Bay Cities Escrow, A Non-Independent Broker Escrow," and "Capital Loans" under its real estate license.

(RUSSEL ISLAM)

4.

a. Respondent ISLAM is presently licensed and/or has license rights under the Code as a real estate broker, Department license ID 01874040.

b. Respondent ISLAM's individual broker license was originally issued on November 17, 2009, and is scheduled to expire on November 16, 2021, unless renewed.

c. Respondent ISLAM currently holds a Mortgage Loan Originator license endorsement with the Department, NMLS unique identifier 240330.

1 d. Respondent ISLAM is the designated officer for Respondent EIACI. His  
2 designation is scheduled to expire on May 23, 2021, unless renewed. As designated officer,  
3 Respondent EIACI is responsible for the supervision of the activities conducted on behalf of  
4 Respondent EIACI by its officers, agents, real estate licensees, and employees pursuant to  
5 Section 10159.2 of the Code.

6 REAL ESTATE ACTIVITY

7 5.

8 At all times relevant herein Respondent EIACI, doing business as Bay Cities  
9 Escrow, A Non-Independent Broker Escrow, and Capital Loans was engaged in the business of,  
10 acted in the capacity of, advertised or assumed to act as a real estate broker, within the meaning  
11 of Code section 10131(d) by soliciting borrowers or lenders for or negotiating loans or  
12 collecting payments or performing services for borrowers or lenders or note owners in  
13 connection with loans secured directly or collaterally by liens on real property ("mortgage loan  
14 activity"). EIACI engaged in broker escrow services in the course of or incidental to its  
15 mortgage loan activity in which EIACI was performing acts for which a real estate license is  
16 required.

17 CAUSE FOR ACCUSATION

18 (AUDIT NO. LA190006 – BROKER ESCROW)

19 6.

20 On or about October 31, 2019, the Department completed an audit examination  
21 (Audit No. LA190006) of the books and records of EIACI pertaining to its broker escrow  
22 activities described in Paragraph 5 above. The audit examination covered the period of time  
23 from May 1, 2018, to August 31, 2019 ("audit period"). The audit examination was limited to  
24 EIACI's broker escrow activity only. The audit examination revealed violations of the Code  
25 and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit  
26 Report No. LA190006 and the exhibits and work papers attached to said audit report.

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An entrance conference was held on September 3, 2019, at EIACI's main office location. The auditor met with ISLAM, who was the primary person who provided records for the examination, and Surender Bhatia, an authorized representative. According to ISLAM and the records examined, EIACI closed approximately twelve (12) broker escrow transactions in the last twelve (12) months of the audit period.

8.

At all times mentioned herein, and in connection with the broker escrow activities described in Paragraph 5 above, EIACI accepted or received funds, including funds in trust ("trust funds") from or on behalf of actual or prospective parties to transactions handled by EIACI, and thereafter made deposits and/or disbursements of such funds. EIACI maintained one (1) bank account ("TA 1") to handle trust funds in connection with its broker escrow activities during the audit period. From time-to-time during the audit period, said trust funds were deposited and/or maintained in the following bank account:

Trust Account ("TA 1")

Bank: Comerica Bank  
Account Name: Escrow in a Cinch Inc DBA Bay Cities Escrow, A Non-Independent Broker Escrow Real Estate Broker Trust Account  
Russel Islam as Trustee  
Account Number: xxxxxx1317  
Signatories: Russel Islam  
Signatures required: One (1)  
Purpose: EIACI opened TA 1 on October 22, 2018, at Comerica Bank to replace a bank account maintained at Citibank. TA 1 was maintained for handling trust fund receipts and disbursements in connection with EIACI's broker escrow activity effective October 22, 2018.

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1 Bank Account ("BA 1")

2 Bank: Citibank  
3 Account Name: Escrow in a Cinch Inc DBA Bay Cities Escrow, A Non-Independent  
4 Broker Escrow Real Estate Broker Trust Account  
5 Account Number: xxxxxx3081  
6 Signatories: Russel Islam  
7 Signatures required: One (1)  
8 Purpose: BA 1 was maintained for handling trust fund receipts and disbursements  
9 in connection with EIACI's broker escrow activities in 2018. BA 1 was  
10 closed as of October 15, 2018.

11 Violations of the Real Estate Law

12 9.

13 The audit examination revealed violations of the Code and the Regulations, as  
14 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA190006  
15 and the exhibits and work papers attached to the audit report:

16 (a) **Handling of Trust Funds/Unauthorized Disbursements/When Broker**  
17 **Handles Escrow (Code section 10145, Regulations section 2950(g))**. In EIACI's escrow  
18 transaction, Escrow No. 144-2018, for the property on Knox Street in San Fernando, California,  
19 buyers were to pay \$2,667.10 through escrow toward the county property taxes for July 11,  
20 2018, to January 1, 2019. The Final Settlement Statement, with a disbursement date of July 11,  
21 2018, states that the seller in the transaction was credited the \$2,667.10. EIACI made an  
22 unauthorized disbursement to sellers, instead of paying the property taxes on the Knox Street  
23 property. The property taxes were never paid through escrow.

24 (b) **Trust Account Designation/When Broker Handles Escrow (Code section**  
25 **10145 and Regulations sections 2832 and 2951)**. Based on the signature card for BA 1, an  
26 account used to hold broker escrow trust funds until October 15, 2018, BA 1 was not  
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1 designated as a trust account in the name of Escrow in a Cinch Inc or its licensed fictitious  
2 business name as trustee.

3 **(c) Trust Fund Records to Be Maintained/When Broker Handles Escrow**

4 **(Code section 10145 and Regulations sections 2831, 2950(d), 2951).** EIACI did not maintain  
5 a complete and accurate columnar record of trust funds receive and disbursed for BA1 and TA  
6 1 during the audit period. The information pertaining to the "Date Deposited," "Date  
7 Received," and "From whom trust funds received" was not always correct on the control record  
8 for BA 1 and TA 1.

9 **(d) Separate Record for Each Beneficiary or Transaction/When Broker**  
10 **Handles Escrow (Code 10145, Regulations sections 2831.1, 2950(d), 2951).** EIACI did not  
11 maintain complete and accurate separate records for BA 1 and TA 1 during the audit period.  
12 The information pertaining to the "From whom trust funds received" was not always correct on  
13 the separate records for BA 1 and TA 1. For example:

<u>Escrow No.</u>	<u>Separate Record "Received From"</u>	<u>Actual "Received From"</u>	<u>Account</u>
144-2018	Bay Cities Escrow	G.A. <sup>1</sup>	BA 1
144-2018	Bay Cities Escrow	G.A.	BA 1
100-2018	Bay Cities Escrow	Stewart Title	TA 1
101-2018	Bay Cities Escrow	Priority Title	TA 1
102-2018	Bay Cities Escrow	Priority Title	TA 1
110-2019	Bay Cities Escrow	T. & V. R.	TA 1
110-2019	UWM	Pacific Coast Title	TA 1

22 **(e) Handling of Trust Funds/Commingling/When Broker Handles Escrow**  
23 **(Code section 10145, Regulations sections 2835, 2951).** During the audit period, EIACI kept  
24 \$235.27 of its funds in BA 1 as of September 10, 2018, which was more than the allowable  
25 limit of \$200.00.

27 <sup>1</sup> Initials are used in place of individual's full name to protect their privacy.







1           WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
2 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
3 action against all the licenses and/or license rights of Respondents ESCROW IN A CINCH  
4 INC, doing business as Bay Cities Escrow, A Non-Independent Broker Escrow, and Capital  
5 Loans, and RUSSEL ISLAM, individually and as designated officer of Escrow in a Cinch Inc,  
6 under the Real Estate Law, for the costs of the audit, investigation, and enforcement as  
7 permitted by law, and for such other and further relief as may be proper under other applicable  
8 provisions of law.

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10 Dated at San Diego, California this 11 day of June, 2020.

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14 Veronica Kilpatrick  
15 Supervising Special Investigator  
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24 cc: ESCROW IN A CINCH INC  
25 RUSSEL ISLAM  
26 Veronica Kilpatrick  
27 Sacto.  
Audits – Anitha Wijaya