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**STATE OF NEVADA**  
**DEPARTMENT OF BUSINESS AND INDUSTRY**  
**DIVISION OF MORTGAGE LENDING**

\* \* \*

In re:  
Towne Center Escrow, LLC  
Respondent.

**FINAL ORDER**

The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter, the "Division"), having served the Respondent, Towne Center Escrow, LLC., (hereinafter, "Respondent") on November 17, 2010, with its Order to Discontinue (Cease and Desist) and Notice of Right to Request Hearing, attached hereto as Exhibit "1" and incorporated herein by reference, which notified Respondent that a final order would issue in this matter unless, within thirty (30) days of entry and receipt of said Order, Respondent requested a hearing to contest the charges against it, with said request to be made in writing, and;

Said Order having been sent to Respondent via certified mail and regular mail, and received by Respondent on November 19, 2010, and;

Respondent having failed to request a hearing in this matter, and good cause appearing:

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1 NOW, THEREFORE, **IT IS HEREBY ORDERED** that, pursuant to NRS 645A.110 and  
2 NRS 622.080, Respondent shall immediately **CEASE AND DESIST** conducting business in  
3 violation of NRS Chapter 645A and immediately **CEASE AND DESIST** from soliciting and  
4 conducting any and all escrow agency activity in the State of Nevada. In addition, Respondent  
5 will be subject to the administrative fines, fees and/or costs and restitution amounts as set forth  
6 in the original Order attached hereto as Exhibit "1".

7 **IT IS FURTHER ORDERED** that the sum of said administrative fines, fees and/or costs  
8 be paid in full within **thirty (30) days** of entry of the instant Order;  
9

10  
11 Dated this 20<sup>th</sup> day of December, 2010.

12  
13 State of Nevada  
14 Department of Business and Industry  
15 Division of Mortgage Lending

16  
17 By:   
18 Joseph L. Waltuch, Commissioner

# **EXHIBIT “1”**

1 STATE OF NEVADA  
2 DEPARTMENT OF BUSINESS AND INDUSTRY  
3 DIVISION OF MORTGAGE LENDING

4 \* \* \*

5 In re:  
6 Towne Center Escrow, LLC  
7 Respondent.  
8  
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10 **ORDER TO DISCONTINUE (CEASE AND DESIST) AND**  
11 **NOTICE OF RIGHT TO REQUEST HEARING**

12 The licensing and regulation of escrow agencies and escrow agents in the State of  
13 Nevada is governed by Chapter 645A of the Nevada Revised Statutes (hereinafter "NRS")  
14 and Chapter 645A of the Nevada Administrative Code (hereinafter "NAC"). The State of  
15 Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the  
16 "Division") has the general duty to exercise supervision and control over escrow agencies and  
17 escrow agents, as well as escrow agency activity. See, NRS 645A.050, NRS 645A.090 and  
18 NRS 645A.110. Pursuant to that authority, the Division makes the following Factual  
19 Allegations, Violations of Law, and Order, as follows:  
20

21 **FACTUAL ALLEGATIONS**

22 1. Towne Center Escrow, LLC (hereinafter "Respondent") is a limited liability  
23 company organized and existing under the laws of the State of Nevada since on or about  
24 March 13, 2008. Currently, Respondent's status with the Nevada Secretary of State is  
25 "active." The Division currently classifies Respondent's license as "closed."  
26

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1           2.     Based upon information and belief and at all relevant times herein mentioned,  
2 Respondent conducted escrow agency activity out of its offices located at 5210 W. Patrick  
3 Lane, Suite 100, Las Vegas, Nevada 89118 [the "Patrick Lane" office] and 2879 St. Rose  
4 Parkway, Henderson, Nevada 89052 [the "St. Rose" office].

5           3.     Pursuant to NRS 645A.041(1) "... as a condition to doing business in this State,  
6 each escrow agency shall deposit with the Commissioner and keep in full force and effect a  
7 corporate surety bond payable to the State of Nevada...which is executed by a corporate  
8 surety satisfactory to the Commissioner and which names as principals the escrow agency  
9 and all escrow agents employed by or associated with the escrow agency."

10           4.     Pursuant to NRS 645A.041(4): "Each escrow agency shall deposit a corporate  
11 surety bond that complies with the provisions of this section or a substitute form of security  
12 that complies with the provisions of NRS 645A.042 in the following amount based upon the  
13 average monthly balance of the trust account or escrow account maintained by the escrow  
14 agency pursuant to NRS 645A.160:  
15

AVERAGE MONTHLY BALANCE	AMOUNT OF BOND OR SECURITY REQUIRED
\$50,000 or less.....	\$20,000
More than \$1,000,000.....	\$250,000

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21           5.     Pursuant to NRS 645A.042 "[a]s a substitute for the surety bond required by  
22 NRS 645A.041, an escrow agency may, in accordance with the provisions of this section,  
23 deposit with any bank or trust company authorized to do business in this state, in a form  
24 approved by the Commissioner...an obligation of a bank, savings and loan association, thrift  
25 company or credit union licensed to do business in this state..."  
26

27           6.     Pursuant to NRS 645A.041(1) and (4) and NRS 645A.042, Respondent  
28 deposited a letter of credit drawn on Republic Bank in the amount of \$20,000 as a substitute

1 form of security in lieu of the surety bond required to obtain an initial escrow agency license  
2 under NRS 645A. [See Exhibit 'A' attached hereto and incorporated herein by this reference.]

3 7. Pursuant to NRS chapter 645A, Respondent was issued an escrow agency  
4 license, License Number 3158, on September 25, 2008 for its Patrick Lane office and an  
5 escrow agency license on July 1, 2009 for its St. Rose office.

6 8. Pursuant to NRS 645A.050(2)(b) "[i]n addition to the other duties imposed upon  
7 him by law, the Commissioner shall:... [c]onduct or cause to be conducted each year an  
8 examination of each escrow agency licensed pursuant to this chapter."

9  
10 9. Pursuant to NRS 645A.050(2)(b), on March 9, 2010 the Division commenced a  
11 regularly scheduled annual examination of Respondent's books and records for Respondent's  
12 Patrick Lane office which revealed, among other things, that the average monthly balance of  
13 its trust accounts required an increase in Respondent's bond or substitute security from  
14 \$20,000 to \$250,000.

15 10. On March 24, 2010 Respondent was advised by Division examiner BS to  
16 increase its bond or substitute security amount to \$250,000 and Respondent agreed to such  
17 an increase; Respondent confirmed that agreement in writing to the Division on July 1, 2010  
18 during its license renewal process. [See Exhibit "B", redacted, incorporated herein by this  
19 reference.]  
20

21 11. Despite assurances from Respondent, Respondent failed to increase its bond or  
22 substitute security amount to \$250,000 and the Division did not renew Respondent's escrow  
23 agency license for its Patrick Lane office and its St. Rose office.

24 12. The Letter of Credit deposited by Respondent expired on September 30, 2010.

25 13. Pursuant to NRS 645A.036(3) "...[a] license does not authorize the licensee to  
26 transact business from any office other than that designated in the license."  
27  
28



1 **BUSINESS IN VIOLATION OF NRS CHAPTER 645A AND IMMEDIATELY CEASE AND**

2 **DESIST** from soliciting and conducting any and all escrow agency activity in the State of  
3 Nevada, and Respondent shall:

4 1. Immediately notify in writing every party involved in an open escrow transaction, loan  
5 servicing, payment collection or loan pool servicing of this Order (collectively 'escrow  
6 transactions");

7 2. Delete from all advertising material, including but not limited to Respondent's  
8 websites, any and all references to its ability to conduct escrow activity in the state of Nevada  
9 for which a license under Chapter 645A is required, and all references to its escrow agency  
10 license number.

11 3. **Within three (3) business days** from the date of service of this Order on Respondent,  
12 provide to the Commissioner in writing:

13 a. A list of all open escrow transactions;

14 b. The office address and telephone number for every office location of  
15 Respondent, along with the location or locations where its books and records are located.

16 4. **Within ten (10) days** from the date of service of this Order on Respondent, provide to  
17 the Commissioner in writing, a complete accounting of all moneys held in trust for any person  
18 for whom Respondent is acting as an escrow agency. Such accounting shall include a  
19 complete list of all open escrow transactions by party name and address, including loans and  
20 accounts being serviced or for which payments are being collected; a list of every person for  
21 whom trust moneys are being held, along with the amount of moneys held on each such  
22 person's behalf; and a list of all bank accounts (including bank account number and bank name  
23 and address) where any such trust moneys, however denominated (such as tax, insurance,  
24 loan payment, interest reserve or construction control accounts), are held, along with the  
25 balances in such accounts.



1 All written communication to the Division must be sent by U.S. Postal Service or private  
2 carrier or delivery service to:

3 Commissioner  
4 Division of Mortgage Lending  
5 7220 Bermuda Road, Suite A  
6 Las Vegas, NV 89119

7 **IT IS FURTHER ORDERED** that Respondent's failure to abide by any of the above-  
8 referenced conditions now imposed upon its license under NRS Chapter 645A shall constitute  
9 grounds for summary suspension, revocation or other discipline deemed appropriate in the  
10 discretion and within the statutory authority of the Commissioner.

11 **IT IS FURTHER ORDERED**, pursuant NRS 645A.110(2)(a), that upon filing a verified  
12 petition with the Division within **30 (thirty) days** of receipt of this Order to Discontinue (Cease  
13 and Desist), Respondent shall be entitled to a hearing with regard to the contents of this  
14 Order to Cease and Desist. Respondent is advised, however, that the provisions of this  
15 Order to Cease and Desist are effective immediately upon Respondent being served  
16 therewith, whether or not Respondent requests a hearing.

17 Should Respondent request a hearing, Respondent is advised of the following:

18 a) Respondent is entitled to be represented by legal counsel at its own cost and  
19 expense; b) At any hearing Respondent shall be entitled to respond and to present evidence  
20 and argument on all issues involved; c) Requests may be made to the Commissioner for the  
21 issuance of subpoenas; however, the Commissioner may request the proposed testimony of  
22 any such person prior to the issuance of the subpoena; and d) Unless precluded by law, the  
23 parties may agree to an informal resolution or settlement prior to any hearing.  
24

25 Should Respondent not request a hearing within **thirty (30) days** of service of the instant  
26 Order, the Division will enter a Final Order in this matter. Respondent is advised, however, that  
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1 the provisions of this Order are effective immediately upon Respondent being served therewith,  
2 whether or not Respondent requests a hearing.


3 Dated this 17<sup>th</sup> day of November, 2010.

4 State of Nevada  
5 Department of Business and Industry  
6 Division of Mortgage Lending

7 By:   
8 Joseph L. Waltuch, Commissioner

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# **EXHIBIT “A”**

  
**FIRST REPUBLIC BANK**  
It's a privilege to serve you®

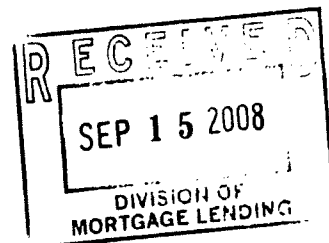
**IRREVOCABLE STANDBY LETTER OF CREDIT**

Letter of Credit No. **77-445283-5**

Amount of **U.S. \$20,000.00**

Dated **September 3, 2008**

**State of Nevada Division of Mortgage Lending ("Beneficiary")  
3075 E. Flamingo Road, #100  
Las Vegas, NV 89121  
Attn: Joseph L. Waltuch, Commissioner**



Ladies and Gentlemen:

At the request and for the account of **Towne Center Escrow, LLC**, (the "Applicant" or "Account Party"), we hereby establish in your favor our irrevocable standby letter of credit in the aggregate amount of **Twenty Thousand and 00/100 Dollars (U.S. \$20,000.00)** available by your draft at sight drawn on us and accompanied by the following:

- 1. This original letter of credit together with all executed written amendments hereto.**
- 2. A written statement signed by an officer of Beneficiary appointed under the terms of its governing documents, and certifying that such moneys are due and owing to Beneficiary according to that certain agreement between Beneficiary and Applicant.**
- 3. Amount of Letter of Credit may not be withdrawn except by direct and sole order of the Commissioner.**

This standby letter of credit expires on **September 30, 2009** (the "Expiry Date") but is subject to automatic extension as provided in the next succeeding paragraph.

Drafts shall be drawn on and presented to us at our offices located at **111 Pine Street, San Francisco, California 94111** no later than the Expiry Date. **Notwithstanding anything to the contrary herein, the Expiry Date of this letter of credit shall automatically be renewed without the necessity of any amendment to this letter of credit for successive periods of one (1) year with a final expiration date of September 30, 2010, unless we provide you written notice no later than thirty (30) days before the then existing Expiry Date that we have elected not to renew this letter of credit (the "Non-Renewal Notice"). The Non-Renewal Notice shall be sent to you by certified mail, return receipt requested, at the address shown above or at such other address as you may provide to us in writing, provided that we receive such change of address not later than ten (10) business days before we have given the Non-Renewal Notice. Such notice shall be deemed provided to and received by you ten (10) days after mailing as provided above.**

*San Francisco    Los Angeles    Santa Barbara    Newport Beach    San Diego    Las Vegas    Boston    New York*

REV. DATE 8/00

Page 1 of 2

A DIVISION OF MERRILL LYNCH BANK & TRUST CO., FSB

111 PINE STREET, SAN FRANCISCO, CALIFORNIA 94111, TEL (415) 392-1400 OR (800) 392-1400, FAX (415) 392-1413

CONVENIENT INTERNET BANKING AT [www.frb.com](http://www.frb.com)

All drafts drawn under this letter of credit shall contain the above-referenced letter of credit number. We agree that all drafts drawn under and in compliance with the terms of this letter of credit will be duly honored by us upon presentation to us.

This letter of credit is **NOT TRANSFERABLE** absent an amendment hereto.

**Partial drawings under this letter of credit are not permitted.**

We may accept documents which appear on their face to be in order without responsibility for further investigation (even as regards any purported default by Applicant) regardless of any notice or information to the contrary.

This letter of credit is subject to International Standby Practices 1998, International Chamber of Commerce, Publication No. 590 and (to the extent not inconsistent therewith) the Uniform Commercial Code in effect on that date hereof in the State of California.

**First Republic Bank, a Division of Merrill Lynch  
Bank & Trust Co., FSB**

By: 

Title: VIC PRESIDENT

# **EXHIBIT “B”**

Exhibit "B"

**TOWNE  
CENTER**  
ESCROW, LLC



July 1, 2010

Bill Theobald  
Supervisory Examiner  
Department of Business and Industry  
Division of Mortgage Lending  
7220 Bermuda Road, Ste A  
Las Vegas, NV 89119

**RECEIVED**

JUL 15 REC'D

Mortgage Lending Division

RE: Examination

Dear Mr. Theobald

This letter is in response to the examination report received by Towne Center Escrow, LLC ("TCE") on or about June 13, 2010. Please review the following response to the alleged violations:

1. Regarding the surety bond. The report is correct, we have agreed to and applied for a surety bond in the amount of \$250,000. Kaercher, Cambell and Associates is processing our application and we expect to have the bond in place within 30-days based on recent conversation with them.

REMAINING PORTION REDACTED

Best Regards

  
Jarmison R Albrecht  
Chief Operating Officer