

FOR IMMEDIATE RELEASE:
August 8, 2006

Contact: Tim Egan
EIC Executive Director
(800) 337-2769

P.J. Garcia, EIC Chairperson
(714) 842-4594 extension 1#

Escrow Institute of California Asks Insurance Commissioner to Delay Hearing New Regulations That Threaten Woman-owned Small Businesses

August 8, 2006

The Honorable John Garamendi
Commissioner
California Department of Insurance
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

Dear Commissioner Garamendi:

The Escrow Institute of California (EIC) is requesting that you delay the hearing on the proposed title and escrow regulations set for August 30th in order to consider the impact your regulations would have on licensed independent escrow companies and our predominately female California ownership/workforce.

Your *Notice of Proposed Action* dated July 3, 2006 states that this "...regulation may have a significant statewide adverse economic impact directly affecting business..." (p. 5). For licensed independent escrow companies and the escrow offices we operate throughout the state, the impact would be devastating.

The *Notice* further states that you neither identified nor considered any alternatives that would lessen the impact your regulation would have on small businesses. The *Notice* then lists various businesses (insurance companies, financial institutions, sub-dividers, developers) and states that "where the annual gross receipts for the business exceed two million dollars, the proposed regulations do not affect small business" (p.7).

Setting aside the fact that this statement directly contradicts other conclusions contained in your *Notice*, it would appear that you knowingly omitted licensed independent escrow companies from your list of affected businesses. Of course, this comes as no surprise to EIC given that you have repeatedly ignored our requests to discuss how these regulations would impact our member companies and have repeatedly refused to contact our regulator – the California Department of Corporations – to receive a basic education about the escrow industry.

Continued

Again, EIC urges you to postpone this hearing until such time as you have properly identified and considered the impact your regulations would have on our family-owned, community-based, small business members. In any event, EIC plans to participate in the hearing process to oppose your regulations that would devastate the licensed independent escrow industry and that unfairly attack the hard-working professionals who work in the escrow industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'PJ Garcia', with a long horizontal flourish extending to the right.

PJ Garcia
Chairwoman, Board of Directors
(714) 842-4594, Ext 1#

A handwritten signature in black ink, appearing to read 'Tim Egan', with a long horizontal flourish extending to the right.

Tim Egan
President & Chief Executive Officer
(760) 633-4342