Recent cases of corporate identity theft and cyber fraud have increased for escrow and title companies nationwide. Here in California an independent escrow company lost $465,000 from their trust account when a hacker penetrated the computer system and compromised the outgoing wire protections that were in place. The increase of cyber fraud has put escrow licensees and their banks on the alert concerning the safety of their overall business, as well as operating and trust accounts. There are many things an escrow license can and should be doing to protect their accounts. A key element is the need to actively work with your bank from overall account management to establishing more effective firewalls against internal and external threats.

The Institute has initiated active discussions with our Bank and CPA Affiliates in an attempt to assist our Members in protecting their businesses and trust accounts against unwanted intrusion. At our September 9, 2010 General Membership Meeting, we will unveil a new Fidelity & Computer Crime Insurance Program, as well as with our Affiliate Banks brainstorm about these new threats and steps each Member should take to protect their company. We are working with our broker Lockton Insurance Brokers on a new affinity program for EIC Members only. Some of the terms for the new insurance will be:

On July 21, President Obama signed into law the 2319 page “Dodd-Frank Wall Street Reform and Consumer Protection Act” (HR 4173). Enactment of the Act means that new agencies or federal entities will be created such as: the Financial Stability Oversight Council; the Office of Financial Research; the Office of National Insurance; and the Bureau of Consumer Financial Protection, which the latter will have broad regulatory authority over RESPA that has been under the control of HUD and the Truth-in-Lending Act (TILA) which has been under the Federal Reserve Board. The statutes and current and subsequent regulations is just one of many consumer financial protection laws to be consumed under the umbrella of the new Consumer Financial Protection Bureau (CFPB). Created as part of the sweeping legislation, the CFPB will be housed
President’s Message
By Beulah Stidham — Madrona ParkEscrow, Inc.

A GREAT BIG THANK YOU to all that worked so hard to make our 2010 Conference such a huge success!

To our Co-Chairs, Paula Swallow and Maggie Waller, and the entire Conference Planning Committee: PJ Garcia, Judy Gooler, Tricia Vagt, Cynthia Belzl, Linda Doll, Mary Hernandez, and Tim & Liz Egan, for their hard work and support, plus a special thanks to all our GREAT AFFILIATES for your constant support!

I would like to take this time and thank each and every one that had a part in making the conference such a success!

The location and food were great
Golfing Friday morning was fun
The “Hoedown” and Barbeque Friday evening was fun and entertaining... And

The Speakers were VERY educational and kept our attention through out!

The comments that I heard from the attendees, were “the best conference ever.”

I am sorry for those of our Membership that were unable to attend… they missed a GREAT EVENT! If you want just a taste – you may find some of the speaker’s materials on our website, www.escrowinstitute.org

The challenges that our industry is facing this year are too numerous to count! Some of the most urgent are legislation that is coming out of our nation’s Capitol, as well as our State Legislature!

If you think it is tough now with the HUD issues, just wait. If any of the bills that affect us, in their present form become law, we will have government demanding more and more from us, i.e. being forced to have a compliance officer on staff! That is at the Federal level! We are working with numerous groups including the American Escrow Association (AEA) to get our industry out of this bill or through subsequent regulations. I pray we will be successful. There is more from HUD and more at the state level.

When you join us at our future General Membership meeting in Long Beach (see our website for details www.escrowinstitute.org), we will have a lot more information regarding the various challenges and the progress made!

I realize this is very short, but time does not allow for detailing the issues, so I urge you to come to the General Membership meetings and encourage other companies that are not now members to join. If you refer a new Member you will receive a $100.00 credit toward your dues, or conference next year or even to pay for the General Membership meetings! Now that’s a Good Deal!
FRAUD
(continued from Page 1)

ESCROW INSTITUTE OF CALIFORNIA
FIDELITY & COMPUTER CRIME INSURANCE PROGRAM
TERM SHEET

Problem California escrow agents are currently insured against loss of trust obligations due to employee theft through either the Escrow Agents’ Fidelity Corporation (EAFC) or the Personal Property Escrow Fidelity Program available to EIC members. However, neither insurance program currently offers coverage for loss of operating funds due to employee theft, or loss of either operating funds or trust obligations due to computer fraud.

Solution Develop and make available to members of the Escrow Institute of California (EIC) an insurance program that directly addresses both employee theft of operating funds and computer theft of operating funds and trust obligations.

Carrier Starr Indemnity & Liability Company (AM Best Rating: A), which currently insures both the EAFC and the Personal Property Escrow Fidelity program, has agreed in principle to provide the coverage necessary to fill the gaps identified above.

Applicants A separate policy will be made available to EIC members who do not currently carry Personal Property Escrow Fidelity coverage. For those that do carry a Personal Property Escrow Fidelity policy, the coverage will be made available by endorsement.

Process Each escrow company would be required to complete an application, including specific questions related to computer network security, and will be separately rated based upon their specific risk characteristics.

Controls The underwriter may impose certain loss control conditions on some or all policies issued, such as a requirement to stay current on anti-spyware or anti-virus software, in order to manage the risk and improve the profile of the industry.

Cost Premium estimates are being developed, based on size and risk profile, and will be available shortly.

Discount As an exclusive affinity program for EIC members only, the insurance would be discounted based on volume, i.e. as more members join the program, the discounts would be greater.

Broker Lockton Insurance Brokers will be the exclusive provider of the above described insurance program for member of EIC.
within the Federal Reserve System. The CFPB is to “regulate the offering and provision of consumer financial products or services under the federal consumer financial laws.” The CFPB is expected to be established by September 19, 2010. This is the deadline U.S. Treasury Secretary Timothy Geithner is working under for moving the major consumer protection statutes, such as RESPA and TILA, and other key legal and regulatory authorities to the CFPB. Under the Dodd-Frank Act, the CFPB is specifically charged with publishing a new mortgage disclosure form that integrates RESPA and the Truth-in-Lending disclosures. The lending, title and settlement industries are eight months into implementing the new RESPA forms, all of which may change again in the near future. The CFPB must publish a new disclosure form that merges the RESPA and TILA requirements within six to 18 months after the Dodd-Frank Act became law on July 21.

The bill creates an all powerful Financial Stability Oversight Council (FSOC or Council), which is to monitor systemic risk in the economy, is now in effect. The Council, led by the Treasury Secretary, includes, the heads of the Federal Reserve, Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration Board, the Federal Housing Finance Agency (FHFA), as well as an independent member appointed by the President and confirmed by the Senate who has insurance expertise. Non-voting members of the Council include the Director of the Office of Financial Research, Director of the Federal Insurance Office, a state insurance commissioner, a State banking supervisor, and a State securities commissioner.

As is often the case with respect to landmark legislation, lawmakers left many of the key details of financial reform to regulation to be determined by the regulators. Various industry experts have estimated that the new law will require U.S. regulatory agencies to enact over 200 new regulations. Others have asserted that the rulemaking effort required to implement the Reform Act will be unprecedented in its scope and complexity and will exceed the efforts required to implement the post-September 11th measures and the Sarbanes-Oxley Act. As a result, U.S. regulatory agencies will be compelled to enact numerous regulations implementing the Dodd-Frank Act and, in doing so, will have the opportunity to shape the ultimate effect of financial reform in many critical areas, many of which will have a profound impact on the regulation of systemic risk. In addition, the Financial Stability Oversight Council (“Council”) is not yet operational, so there is much that remains unknown about how the Council will operate, and the changes that will be made to systemic risk regulation. The CFPB has new and expanded powers and authorities to levy significant fines (more so than previously existed under RESPA & TILA) for any alleged violations under current federal statutes or under the Dodd-Frank Act.

The new law also requires the Director of the Bureau to conduct a study and propose legislation and/or regulations to regulate at a national level §1031 exchange facilitators. The study and recommendations must be completed within one year after the effective date of the Act, and a program or proposed regulations must be implemented within two years after the Director’s report is submitted. The Federation of Exchange Accommodators (FEA) in a press release applauded and thanked House Financial Services Committee Chairman Barney Frank and Representative Mike Michaud for proposing this provision in the financial reform bill.
HUD SEeks Comments ON “REQUIRED USE”

On June 3, the Department of Housing & Urban Development issued a notice seeking public and industry comments on the practice of referring business to affiliated companies. HUD stated that its intentions are to address consumer complaints the Department has received and gather information that might inform it of the need to revise RESPA’s “required use” provision or initiate other measures to prevent the improper use of affiliated business arrangements (AfBAs).

HUD’s current definition of required use states:

“Required use means a situation in which a person must use a particular provider of a settlement service in order to have access to some distinct service or property, and the person will pay for the settlement service of the particular provider or will pay a charge attributable, in whole or in part, to the settlement service. However, the offering of a package or (combination of settlement services) or the offering of discounts or rebates to consumers for the purchase of multiple settlement services does not constitute a required use. Any package or discount must be optional to the purchaser. The discount must be a true discount below the prices that are otherwise generally available and must not be made up by higher costs elsewhere in the settlement process.”

In its “advanced notice of proposed rulemaking,” HUD is seeking comments on what they should consider should a rule be proposed at a later date.

HUD indicated that it continues to receive consumer complaints about homebuilders who, in their controlling position, refer business to their affiliated mortgage and title companies and settlement service providers by offering either reduced cost for a home or adding free construction upgrades if the homebuyer uses the developer’s or builder’s affiliated businesses. In some circumstances, these builders did not represent true discounts and, in fact, homebuyers may have ultimately paid more in total loan costs. “Consumers also complain that the timing of the contract with the builder precludes them from shopping, and the affiliated lender is then able to charge higher settlement costs or interest rates that are not competitive with those of non-affiliated lenders.” HUD further added that the complaints indicate that these incentivized referrals to affiliated businesses may be steering techniques that effectively is “require the use” of an affiliate.

It is a violation of RESPA when a consumer is required to use a particular mortgage lender, title company or other settlement service provider that is affiliated with another business in the mortgage transaction. However, HUD said whether consumers are required to use a particular affiliated services provider when they are offered a discount or some other incentive is less clear.

A new required use rule was previously issued as part of the RESPA final rule in November 2008. The rule specifically singled out homebuilders indicating that they could not tie consumers’ use of their affiliates to any incentives or discounts. The National Association of Home Builders filed a lawsuit against HUD for its inclusion of this prohibition in the new rule, claiming that it was in violation of the RESPA law, was in contradiction of HUD’s rule issued in 1992, failed to address the comments made in opposition to the proposed rule and was not supported by evidence or by proper legal analysis, and would adversely affect both consumers and homebuilders. In January 2009, HUD delayed the implementation of the required use provision in order to allow the agency more time to answer the lawsuit, as well as to further analyze the provisions potential impact. The final rule which was issued late 2009 narrowly tailored the required use provision which did not affect most real estate professionals.

The response to this advance notice of proposed rulemaking for the Institute follows:

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street, SW, Room 10276
Washington, D.C. 20410-0500

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 HUD  
(continued from Page 5)


Ladies and Gentlemen:

Thank you for the opportunity to provide comments on the Advance Notice of Proposed Rulemaking (ANPR) on Strengthening and Clarifying RESPA’s “Required Use” Prohibition.

The Escrow Institute of California (EIC) is the professional trade association that represents and advocates for the California Department of Corporations licensed escrow companies. EIC members are independent community-based small business enterprises which are regulated and governed by the nation’s most comprehensive standards, requirements and laws for settlement agents, commonly referred to as the California “Escrow Law.”

We applaud HUD for reopening this issue of required use in an effort to gather public comment and information from a broad range of industry representatives and consumer groups. In our little corner of the world, we continue to hear from consumers and clients and sometimes witness first hand instances where consumers are unknowingly steered to affiliated business arrangements under the guise of either receiving incentives or cost savings or both to later discover that the homebuyers may be paying more in total loan costs than they were first led to believe. For HUD to shine a new light on this issue is encouraging and we look forward to continuing the dialogue with industry representatives and consumer groups should HUD propose an actual rule at a later date.

Please find the following comments and input on the Advanced Notice of Proposed Rulemaking:

**IMPACT OF BUNDLED SERVICES ON SETTLEMENT COSTS AND COMPETITION**

The Escrow Institute is NOT aware of any independent studies that show consumers ultimately benefit from lower prices and higher standards of services where settlement services are bundled. These bundled services are typically aimed at increasing revenue percentages to the bundler with little regard to cost savings and no regard to quality of services to consumers. Common Sense tells us there is no significant incentive to bundle settlement services unless the bundler benefits and; there is no ultimate benefit to consumers when services are bundled where the bundler benefits. Free market bundles have been introduced repeatedly in the market over the past 30 years and ultimately fail.

Required use and bundled services artificially capture market share. This process diminishes the pool of business opportunities available to independent service providers, who are then less likely to be able to attract large enough market shares to effect cost reductions by economies of scale, thereby increasing costs and prices across the board. Affiliated businesses often price services at a rate similar to that of the independent settlement service providers despite their lower costs of doing business, because they can and will get away with it.

Captured business reduces the need to compete for business based on service, price and skill, since the customer is either steered to the settlement service provider; or enticed into the service by incentives unrelated to the services provided. When affiliated businesses don’t have to earn their business, the consumer suffers the frustrations and sometimes even nightmares that can be brought on by poorly educated and ill-equipped practitioners; poor communication and an entitlement attitude.

In the rare occasions when prices for bundled services are lower, they historically only stay that way until competing independent service providers leave the market and then increase without normal competitive restraints. Even when a service provider offers a secondary service at or below its cost as a loss leader to gain the advantage by providing bundled services that include their primary business; consumers are ultimately harmed because the secondary service is often inferior to non-affiliated professional services with hidden and even long term costs.

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REFERAL ARRANGEMENTS
A referral arrangement that is based upon criteria besides benefits to consumers is dangerous and destructive to the best interests of consumers. The incentive for a real estate agent or loan agent individually to refer a settlement service provider, absent an affiliation or corporate referral arrangement IS what is in the best interest of their client, based upon their unfettered professional experiences and expertise. There is no prohibition against that referral in state or federal law. Any other rationale must include an incentive for the referrer, which ultimately must harm consumers.

WALKING THE LINE
The line between incentives that actually benefit consumers and abusive practices that do not, is a fine one and too easy to cross. Since consumers are typically novices in the sale and purchase of real estate and rely on paid advisors that are subject to pressure to recommend affiliated businesses, they are at great risk for abusive practices. These practices are very easy to hide in the many strata of corporate entities common in today’s real estate market place. This makes the schemes hard to detect and therefore difficult for HUD and state regulators to enforce.

EFFECT OF REQUIRED USE ON CONSUMERS
When any participant in a Real Estate sale or purchase can steer business to an affiliated business, they do, often taking advantage of the consumers’ lack of experience and expertise in the market place and in the process limiting consumer choices and discouraging shopping for price, professional service and consumer protection.

Quality of service in any business is largely driven by competition. In a service business competition is critical. Required use historically lowers the quality of service to consumers by removing the competition that results in businesses hiring quality professionals, retaining experienced staff and investing in their ongoing training and continuing education.

EFFECTS OF REQUIRED USE ON LOCAL AND SMALL BUSINESS ENTERPRISES
Required Use and Affiliated Business Arrangements create an unbalanced field of competition, which disadvantages small and independent settlement service providers, who are not allowed to compete for the captured business. These activities were originally prohibited by RESPA because they were observed to lead to steering of business activity that harmed consumers. Nothing has changed in the intervening 30 plus years.

Institutional sellers and service providers in the real estate industry are subject to various sets of regulations administered by specific federal and state regulators. These regulations arose over time based upon the specific function being regulated. Lobbying by various industry groups over the years has resulted in specific exemptions from additional regulatory regulations and requirements creating an environment where some service providers can pick and choose if and how their affiliates are regulated. This results in more confusion for both consumers and regulators and creates multiple levels of cost of doing business, competition and consumer protection. Consumers are not sufficiently educated and aware of these varying levels of regulation and protections that should play a part in their choice of service providers. Nor can we reasonably expect an occasional purchaser of services regulated by a complex scheme of state and federal regulations, to ever truly understand these issues sufficiently to make a reasoned and informed decision. Uniform regulation and true competition are the most effective consumer protections available.

ROLE OF A FIDUCIARY
Escrow (Settlement) Agent fiduciaries are duty bound to represent the principal participants in a transaction with complete professional neutrality. An affiliation with either one of the principals or with another service provider compromises that role to the detriment of consumers.

When a buyer/borrower is steered or induced to use an affiliated settlement service provider owned or controlled by the seller, lender or real estate broker, inherent conflicts of interest are created and the neutrality of an escrow agent is negated. Lawsuits generally ensue.

Escrow (Settlement) Agent fiduciaries are charged not to compromise the interests of the principal parties. This

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is an already difficult task, especially when a Lender is added to the mix, as the parties interests are often competing. Affiliations make an already difficult task nearly impossible. Lawsuits against Settlement Agents by Lenders and consumers have risen dramatically over the past 20 years, demonstrating the difficulty discussed here. Added liability considerations act to inflate closing costs significantly.

TOO LITTLE, TOO LATE
Prior to 2000 enforcement actions by HUD against settlement service providers other than lenders, were few and far between. The relatively prolific enforcement by HUD during the last decade has been welcomed but is viewed by escrow settlement providers, particularly in the West, as “too little, too late”. In those small samplings, HUD found many problems and violations with steering to Affiliated Businesses and higher costs to consumers. One must wonder why the past 20 years has seen a more tolerant attitude on Affiliated Businesses by HUD.

States are also behind the enforcement curve. In California where there has been an escrow licensing law since 1947 (California Escrow Law – Financial Code §17000), exemptions to that law mean there are no less than 3 state regulators responsible for escrow activities and numerous others whose licensees can practice escrow under their license to a more limited degree. Given this mish-mash of regulators, it should have come as no small surprise when in 2005-06 the California Department of Insurance made public statements indicting the escrow industry's practices and pricing, without distinguishing their licensees from the more stringently regulated licensees of the Department of Corporations. Seemingly, it took the hearings held by the Insurance Commissioner’s staff and testimony from the licensed industry before the Insurance Commissioner truly understood there were other more stringent state laws and requirements, as well as escrow regulators. Even the Department of Corporations is loath to issue a cease and desist order for unlicensed activity when there is even a hint that another regulator may claim jurisdiction. When even the regulators don’t know who is in charge, where do consumers turn?

EFFECT OF INCENTIVES ON THE MARKET-PLACE
Incentives to principals deter true shopping by consumers for price, reputation and professional expertise. Incentives to industry participants encourage principal representatives like lenders and realtors, to put their own or employers interests in advance of consumers when recommending services.

WHAT WE HEAR FROM CONSUMERS AND INDUSTRY PARTNERS:
We hear from agents and buyers of REO properties for example, which has been the lion’s share of the marketplace for several years, that they are “forced” into service providers where they find the service is poor and unresponsive, where the business is being forced out of local markets that are in dire need of it and the jobs it represents, which are inconvenient to buyers and where prices are often excessive.

Builders have captured title and escrow services for years, either to a contracted vendor who they contract for special pricing on the sale side, or more and more often, to an affiliated service provider, where they not only get preferred pricing (if they pay at all) but they actually MAKE additional money on the transaction. Consumers who want to choose independent settlement service providers are routinely told by the builder that is NOT an option if they want to have an opportunity to purchase the builder’s property.

WHAT WE HEAR FROM STATE LEGISLATORS
The 2009 California “Buyer’s Choice Act” (AB 957 – Chapter 264) is a result of Real Estate Brokers and Agents pleas to Assembly Member Cathleen Galgiani for assistance and relief from the Banks domination of local markets and the ensuing effectuation of required use by lenders, legal or not, of pre-selected settlement service providers when either auctioning or selling REO foreclosed properties.
Labor Law Corner

Employer Has Right to Assign Employee Unused Vacation Time

By Dale Louton – Senior Helpline Consultant

We ask that all employees submit their vacation requests by March 1, but most do not. Can we assign vacation time to employees who do not sign up to take vacation?

The employer has the right to schedule vacations. Labor Code Section 227.3 provides, in brief, that vacation is vested and requires unused vacation to be cashed out at termination. Further, there can be no forfeiture, such as a “use it or lose it” policy. The employer does have the right to manage the vacation program by setting vacation dates.

The Labor Code section states the following:

“Unless otherwise provided by a collective-bargaining agreement, whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested time, vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination. The Labor Commissioner or a designated representative, in the resolution of any dispute with regard to vested vacation time, shall apply the principles of equity and fairness.”

Send Out Requests

One suggestion is to send out requests around the first of the year, giving the employees two choices of dates and make it clear that in any case of conflict, seniority or any non-discriminatory method will be used to determine who gets their preference. Also make it clear that company needs will prevail.

If an employee fails to respond, the company has the right to assign vacation dates. Managing vacation programs in this manner will help to alleviate end-of-the-year problems and high vacation balances.

Exempt employees can be required only to take vacation in full week increments. The State Labor Commissioner takes the position that exempt employees should be given at least 90 days notice of mandatory vacation. Exempt employees can voluntarily take vacation for shorter periods without notice with employer approval, however.

Exemptions

Employees may have been scheduled for vacation, but events occur such as Pregnancy Disability Leave, Family Medical Leave Act, California Family Rights Act and Paid Family Leave. Depending on the timing, this could affect vacation schedules. These acts have to be complied with.

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LABOR LAW
(continued from Page 9)

Employer Can Establish Cap on Earned Vacation Time

By Barbara Wilber

*We want to limit the number of vacation hours an employee may roll over to the next year to 40 hours, but isn’t there a rule about capping vacation at one-and-one-half times an employees’ accrual rate? We plan to cash out any unused hours that exceed 40 hours.*

An employer may implement a cash-out policy and limit the number of hours that can be rolled over into the next year as long as the employee uses or is paid for all earned vacation or paid time off (PTO). As well, the employer may establish a cap on earned vacation that allows a reasonable time to use any earned vacation.

The one-and-one-half-times accrual is a concept associated with the reasonable cap, not the cash-out and rollover policy. These are two completely different methods that may be used to control vacation accumulation.

California Policy

California does not require employers to provide vacation leave to their employees. Once a policy is established, however, certain rules apply.

Specifically, vacation vests as it is earned, and a “use-it-or-lose-it” policy, in which employees lose earned vacation that is not taken by a specific time, is prohibited (except for a limited opt-out provision applying to collective bargaining agreements and vacation plans subject to the federal Employee Retirement Income Security Act).

Once vacation is earned, it cannot be forfeited, but a cap may be placed limiting the amount of vacation which may accrue. Any policy instituting a cap on accrued vacation must provide a reasonable time in which to use already-earned vacation.

In the interest of meeting the “reasonable cap” criteria, employers cap accrual at one-and-one-half or two times the annual earning rate.

For example, if the employee earns 40 hours of vacation each year, the employer may cap the total amount of vacation that can be earned at 60 hours. In using this method, employers must ensure that employees may use their vacation time as it is earned. If employers do not allow employees to take vacation before they reach the cap, the cap would not be considered reasonable.

Cash-Out

Another alternative is to pay or “cash out” earned vacation, either each year or as an employee option. Some employers cash out vacation each year and allow only a certain number of hours to be rolled over into the next year.

In this instance, a one-and-one-half limit on the number of hours being rolled over does not apply because the employee receives payment for any vacation in excess of the rollover hours and earned vacation is not forfeited.
Both methods are legal alternatives to a “use-it-or-lose-it” policy and effectively control the accumulation of vacation hours. When instituting a program, recognize the differences and develop a policy that best meets your needs.

Dale Louton a Senior Helpline Consultant and Barbara Wilber, a Labor Law Consultant with the California Chamber of Commerce (CalChamber).

The Escrow Institute of California is a member of the California Chamber of Commerce.

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7 Things to Stop Doing Now on Facebook

by Consumer Reports Magazine
Wednesday, May 12, 2010

Using a Weak Password
Avoid simple names or words you can find in a dictionary, even with numbers tacked on the end. Instead, mix upper- and lower-case letters, numbers, and symbols. A password should have at least eight characters. One good technique is to insert numbers or symbols in the middle of a word, such as this variant on the word “houses”: hO27usEs!

Leaving Your Full Birth Date in Your Profile
It’s an ideal target for identity thieves, who could use it to obtain more information about you and potentially gain access to your bank or credit card account. If you’ve already entered a birth date, go to your profile page and click on the Info tab, then on Edit Information. Under the Basic Information section, choose to show only the month and day or no birthday at all.

Overlooking Useful Privacy Controls
For almost everything in your Facebook profile, you can limit access to only your friends, friends of friends, or yourself. Restrict access to photos, birth date, religious views, and family information, among other things. You can give only certain people or groups access to items such as photos, or block particular people from seeing them. Consider leaving out contact info, such as phone number and address, since you probably don’t want anyone to have access to that information anyway.

Posting Your Child’s Name in a Caption
Don’t use a child’s name in photo tags or captions. If someone else does, delete it by clicking on Remove Tag. If your child isn’t on Facebook and someone includes his or her name in a caption, ask that person to remove the name.

Mentioning That You’ll Be Away From Home
That’s like putting a “no one’s home” sign on your door. Wait until you get home to tell everyone how awesome your vacation was and be vague about the date of any trip.

Letting Search Engines Find You
To help prevent strangers from accessing your page, go to the Search section of Facebook’s privacy controls and select Only Friends for Facebook search results. Be sure the box for public search results isn’t checked.

Permitting Youngsters to Use Facebook Unsupervised
Facebook limits its members to ages 13 and over, but children younger than that do use it. If you have a young child or teenager on Facebook, the best way to provide oversight is to become one of their online friends. Use your e-mail address as the contact for their account so that you receive their notifications and monitor their activities. “What they think is nothing can actually be pretty serious,” says Charles Pavelites, a supervisory special agent at the Internet Crime Complaint Center. For example, a child who posts the comment “Mom will be home soon, I need to do the dishes” every day at the same time is revealing too much about the parents’ regular comings and goings.

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The Specialty Banking Group

Tim Noone, Mary Hernandez, Connie Wells, Jake Domingo

Why Citizens Business Bank?

Many professional Escrow Companies have chosen Citizens Business Bank precisely because of our industry specialization, reputation, financial strength and our ability to respond promptly. Citizens Business Bank has been in business since 1974; we are proud of our excellent achievement in terms of growth and prosperity. Headquartered in Ontario, CA, we currently have over $6.5 billion dollars in assets. We are big enough to meet the needs of large companies and small enough to deliver exemplary personalized customer service. Our focus and commitment to service, coupled with our financial strength and an excellent mix of products, has proven to be a successful strategy.

- **Business Focus:** Industry-specific banking consultants in the escrow and real estate segment that can evaluate companies’ procedures and provide them with efficiencies to their overall business process. No need for a company to re-train a banker to understand their business needs.

  We maintain an excellent working relationship with related support professionals for our escrow clients: CPA’s, attorneys, software vendors, consultants and the Department of Corporations.

- **Continuity:** We bring over 100 years of escrow banking experience within the real estate industry. Our clients feel confident that they can come to us for one-stop banking and service. Bankers that understand the real estate and escrow banking world. We may not be the answer to all their banking needs, but we can point them in the right direction and offer them some creative banking solutions and alternatives.

- **Trade Associations:** Escrow Institute of California, CEA – California Escrow Association - Long Beach Escrow Association, Southeast Escrow Association, Escrow Associates of San Gabriel Valley, Los Angeles Escrow Association - American Escrow Association, California Land Title Association, American Land Title Association.
STRONG AND GROWING

In the Escrow Industry

Citizens Business Bank Named
6th BEST Performing BANK in AMERICA

*Forbes Magazine - 2010*

Citizens Business Bank has a centralized Escrow & Title Support Services Department located in Pasadena which handles all escrow transactions.

Citizens Business Bank is headquartered in California. Most importantly, Citizens Business Bank’s Operations Center and Wire Room will always remain in Southern California.

**Extended FDIC Coverage** - Citizens Business Bank is participating in the FDIC’s Transaction Account Guarantee Program. Under that program, through December 31, 2010, all Non-interest Bearing Transaction accounts are fully guaranteed by the FDIC for the entire amount in the account.

**Superior Escrow Technology** - The Board of Directors and Senior Management are committed to the investment and development of escrow-specific applications and technologies, fraud prevention and the back-office processes and training.

**Citizens Business Bank Relationship Banking** - We offer a full spectrum of services including personal, business and wealth management.

**Mary Hernandez**
Senior Vice President
562-455-5409

**Connie Wells**
Vice President
714-356-4004

www.cbbank.com
NEW HOME SALE FEE
UNITES DIVERGENT
GROUPS IN OPPOSITION

Foes want the Obama administration to ban a 1% ‘private transfer’ charge — assessed every time a property is sold for 99 years — paid to investors who backed the home’s original builder.

Los Angeles Times – August 8, 2010

Can you name a housing controversy that pulls Iraq and Afghanistan veterans, consumer advocates, labor unions representing transport workers and government employees, the title insurance industry, the National Council of La Raza, libertarian and property rights groups and the National Assn. of Realtors all together into a protest coalition demanding quick action from the Obama administration?

A more unlikely collection of real estate bedfellows is hard to imagine. Yet at the end of July, 11 groups with widely divergent agendas and memberships formed something called the Coalition to Stop Wall Street Home Resale Fees.

The target of their protest: private transfer fees being attached as liens on homes and requiring successions of property owners to pay a fee every time the house or lot resells during the coming 99 years. Though proponents say the concept helps real estate developers raise capital for projects by bringing in Wall Street investors, critics contend the liens amount to a perpetual money machine that lowers equity values for unsuspecting consumers and complicates real estate sales.

Here’s how the plan works. Say you buy a $300,000 house in a subdivision where the developer is participating in a private transfer fee program and has recorded liens on every lot. When you later sell the property, you will be required to pay a fee of 1% of the price you receive. The money must be disbursed out of the closing proceeds and sent to a trustee representing investors. Those investors fronted cash to the developer in exchange for the right to receive streams of payments for decades as individual houses sell and resell.

So, if you buy a house this year for $300,000 and resell it for $325,000 a few years from now, you will owe $3,250 at closing. Even if the house drops in value, you will still owe the 1% fee. And if you refuse to pay it, the deal will not close because a lien has been recorded that runs with the title to the property and mandates that every seller pay.

Your purchaser might not like the fee requirement either, and might demand a lower price as compensation. When your purchaser later goes to sell, the same rules will kick in. And so on, through successions of sales until 2109, when the covenant recorded in 2010 disappears. Along the way, assuming modest appreciation in real estate values, investors and their estates stand to reap huge amounts of cash.

In the words of Kurt Pfotenhauer, chief executive of the American Land Title Assn., “it’s a pretty slick way to make money, but it’s bad public policy and bad for consumers.” Pfotenhauer’s group and the National Assn. of Realtors have spearheaded drives directed at state legislatures to ban or restrict private transfer fees. But now the focus has shifted to the federal level, where the 11-member coalition wants the Obama administration to prohibit transfer fees on all mortgages purchased or backed by Fannie Mae, Freddie Mac and the Federal Housing Administration.

The FHA has already indicated that the fees violate its rules, the coalition said in a July 29 letter to Treasury Secretary Timothy F. Geithner. If Fannie Mae and Freddie Mac, which both operate under federal conservatorship, follow suit, the underlying mortgage-financing fuel that feeds transfer-fee programs effectively will be shut off. Along with the FHA, Fannie and Freddie now account for an estimated 95% of all mortgage financings.

The principal advocate for the private transfer fee concept, Freehold Capital Partners of New York, did not respond to repeated requests for comment. In an e-mail earlier this year, Curtis Campbell, a spokesman for Freehold, said that “private transfer fees represent an adaptation in how to pay for development costs” incurred by
builders “at a time when funding is not available” to them on “reasonable terms.”

On its website, Freehold claims that major real estate development firms controlling “hundreds of billions of dollars in real estate projects nationwide,” including some of the “largest, most well respected,” have participated in the program. However, the company has declined to identify any of them.

Members of the new anti-fee coalition said they have very specific reasons for joining. For example, Jon Soltz, co-founder and chairman of VoteVets.org, said military families generally move every three years, and have been disproportionately hard hit by the real estate bust. Because of their frequent moves, “these fees hurt the military more than anyone,” he said, and “take advantage of unsuspecting homeowners and buyers.”

Distributed by Washington Post Writers Group

Odds ‘n Ends

Efforts Underway to Repeal Expanded 1099 Reporting

Talk about paperwork nightmare: Tucked into the massive new Health Care Bill enacted earlier this year is a provision that would require U.S. businesses, charities, and government agencies to file 1099-MISC for any payments made to vendors for purchase of goods of more than $600. Businesses already must file Form 1099s with the IRS when purchases of more than $600 in services from a vendor are made in a year. The new 1099-MISC provision would extend the requirement to the purchase of goods, starting in 2012.

Needless to say, Congress has been bombarded with significant opposition from numerous small business groups and others to repeal the new reporting requirements. Before adjourning for the summer recess, the Senate tried to add a substitute motion to the pending small business bill (HR 5297) to consider two competing approaches to address the new 1099 reporting requirements. While virtually every Member of Congress agrees that the 1099 reporting requirements must be eliminated, the two parties cannot agree on either the Democrat or Republican alternative. Congress will try again to reach an agreement when session reconvenes on September 7.

VA Clarifies Itemization of Fees on HUD-1

Language which appeared in a Department of Veterans Affairs circular issued July 30 created some confusion about whether itemization of fees should occur on the HUD-1 form. The VA issued a clarification on August 6 that this was not their intention.

The VA called for an itemization of any lump sum credits to Veterans and also for title services charges for all loan applications taken on or after October 1, 2010. The original circular stated: “Lenders will now be required to provide a breakout of the charges shown on line 1101, Title services and lender’s title insurance, similar to the breakout required of line 801, Our origination charge, on the HUD-1.”

The clarification to the circular synchronizes VA closing requirements with HUD’s 2010 RESPA requirements by stating that the VA will continue to require itemization of certain fees, adding that itemizations should be done in an attachment or addendum to the HUD-1 and not on the HUD-1 form itself. The clarification removes “…on the HUD-1” from the publication and states that the reference “…on the HUD-1” was only intended to identify where line 801, Our origination charge, is found.

The circular and clarification can be found on the VA website.
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We would also like to thank the following who generously contributed centerpieces for our Conference:

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A special “Thank You” to Paul Paparella (Recon Man) for his assistance with registration, odds ‘n ends for EIC, and conducting the raffle giveaways on Sunday! You’re the BEST!
Editor’s Note: The Financial Accounting Standards Board (FASB) establishes accounting standards for public and private companies nationwide. FASB has joined the International Accounting Standards Board in the development of a joint proposal to revamp lease accounting. The Department of Corporations and the Escrow Institute and our CPA Affiliate Members are closely monitoring this proposed proposal and if adopted later this year, what impact it would have on escrow licensees’ liquidity requirements under the Escrow Law. The Institute has established an Escrow Accounting Task Force to work with DOC on any remedial proposals to address the proposed accounting standards. We will keep the Membership posted in the months ahead.

 Proposal Would Require Most Leases to Appear on the Balance Sheet

AUGUST 17, 2010

The Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) today unveiled a joint proposal to revamp lease accounting.

The proposal would result in a single “right-of-use” approach applied consistently to lease accounting for lessees and lessors. Among other changes, the approach would result in the liability for payments under all lease contracts within the scope of the standard and the right to use the underlying asset being included on the lessee’s balance sheet. The standard setters say the changes would improve the information available to investors and other financial statement users about the economics surrounding lease contracts.

“The leasing industry plays an important role in many economies by helping companies manage cash flow and working capital,” IASB Chairman Sir David Tweedie said in a press release. “However, much of the estimated annual $640 billion of lease commitments fails to appear on the balance sheet of lessees, thereby giving a false impression of companies’ liabilities and gearing.”

Unlike their discussion paper, Leases: Preliminary Views, published in March 2009, which focused primarily on lessee accounting, the exposure draft, Leases, would result in changes on both sides of a lease transaction. The proposal includes simplified accounting for short-term leases—leases having a maximum term of 12 months or less. The simplified accounting would allow lessees to ignore the effects of interest on the recorded assets and liabilities and allow the lessee to record the liability for lease payments at the undiscounted amount for lease payments.

Under current U.S. GAAP and IFRS requirements, financial reporting for lease contracts depends on the classification of a lease. When a contract is classified as an operating lease, the lessee does not record any assets or liabilities on its balance sheet. The current approaches can also allow two similar leases to be accounted for in very different ways if they fall just over the line into operating or capital leases, FASB board member Leslie Seidman said in an interview.

“The proposal would remedy both of those criticisms by saying that in all cases the lessee needs to record an asset and a liability for the present value of the expected lease payments,” Seidman said. “And the liability will represent an obligation to make lease payments, and the asset will represent a right to use a leased asset.”

(continued on Page 18)
Companies using capital lease accounting “will potentially be changing the amount because, if you have a lease that has renewal options, termination options, contingent rentals and other variable lease terms, what we’re asking people to do is estimate the effect of those provisions on how long they think the lease is going to remain outstanding, but there we’re saying what’s the maximum lease term that you think is more likely than not,” to occur, Seidman said.

On the lessee side, industries such as retail, airlines, trucking, railroads, businesses with fleets of vehicles and banking are likely to be among the most affected by the proposed accounting changes, she said. Lessor industries such as real estate, equipment manufacturers, information technology, medical equipment and banks are also affected by the proposal. But Seidman doesn’t think the proposed changes would dampen leasing activity. “It’s hard for me to understand how just a change in accounting would cause people to change their view about the benefits of leasing,” she said.

The following would not be covered by the proposal:

- Contracts that are labeled as leases but are actually purchase or sale arrangements.
- Leases of biological assets.
- Leases of intangible assets (for example, software, patents and licenses) and leases to explore for or use minerals, oil, natural gas and similar resources.

The proposal is open for comment until Dec. 15 and is available via the “Comment on a Proposal” section of ifrs.org or the FASB “Exposure Documents Open for Comment” page on fasb.org. FASB and the IASB have said June 2011 is their target date for a final standard.

The boards have received extensive input on the lease accounting project, including more than 300 comment letters received following the release of the discussion paper.

FASB and the IASB are planning round-table meetings and other outreach efforts during the exposure draft’s four-month comment period.

As part of that push for feedback, the boards are asking for volunteers by Sept. 15 willing to take part, on a confidential basis, in fieldwork to discuss and test the provisions, including the costs and benefits of the proposed changes. The fieldwork would be conducted during the exposure draft’s comment period.

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ESCROW ADVISORY COMMITTEE MEETING

June 8, 2010

Department of Corporations Represented By:
Louisa Broudy, Deputy Commissioner
Kathleen Partin, Special Administrator
Valinda Roberts, Chief Office of Finance Mgmt
David Duong, Senior Examiner
Ann Davila, Escrow Specialist
Peggy Fairman, Counsel (Via telephone from Sacramento)
Gillian Small, Acting General Counsel (Via telephone San Francisco)

Committee Members Present:
Genia Engelstad
Bill Nelson
Joe Lins
Jeff Behm
Matthew Davis
Beulah Stidham
Mark Emmons

Committee Members Absent:
Malia Monroe
Jennifer Woodard

1. Opening Remarks

Deputy Commissioner Louisa Broudy opened the meeting by welcoming everyone and introducing Valinda Roberts. Louisa also stated that this would be the last meeting for two of the members as their term was up. She thanked Jeff Behm for his service and also thanked Malia Monroe for her service. She invited them to continue in the Subcommittee Group. The meeting was then turned over to Kathleen Partin.

2. Follow-up items from the previous meeting were discussed as follows:

Subcommittee (K. Partin)
The Subcommittee met after the last advisory meeting regarding examiner training, but will wait until the fall to present the training. There will be a Subcommittee meeting after this meeting.

Escrow Law Budget Information (V. Roberts)
Valinda passed out a handout and explained how the Fund Balance works. She also assured the group that the Escrow Law is not subsidizing other programs. The difference in assessments from 2007-08 to 2008-09 is due to the difference of what has been billed and what has been collected. There is a possibility of an increase in fees if there is a deficit in the future. She explained that the State’s General Fund can take settlement dollars without paying them back, but it cannot sweep “fees.”

(continued on Page 20)
A discussion regarding the revenue and expenses to regulate the escrow industry ensued. Louisa talked about the amount of time and expense required when the Department acts as a conservator. It has been necessary for the Department to handle conservatorships when an outside conservator is not available. Genia suggested that perhaps an escrow group could be set up to do this. Because of continuity issues this did not seem possible. A question was asked as to how long it takes a license to be revoked when an assessment is not paid. Kathy stated that the process to revoke a license when the assessment has not been paid has been occurring sooner than in the past. A discussion was held on unpaid assessments and the inefficiencies and time-consuming aspects of this. Valinda stated that the State has required the Department to be more assertive in collections.

3. **Short Sale Processing, Facilitating and Negotiating (G. Engelstad)**

Kathy confirmed with DRE that a license is required to negotiate with the borrower or lender. Genia and M. Davis discussed different scenarios regarding this issue, including (per Genia) how some escrow companies have “uncleared” people in their office doing short sale coordination. According to both Genia and Matthew, issues pertaining to short sales have been going on for 2-3 years. A discussion was held on what was allowed and what was not allowed. A request for an internal opinion had recently been prepared to determine whether there were violations of the Escrow Law. However, after hearing all the different scenarios, Louisa stated that a revised opinion request was a possibility in order to include all issues. What was submitted was related to escrow companies negotiating. Kathy asked Matthew to provide her with a summary of various short sale escrow scenarios/issues that he was aware of.

4. **Online Management Training Classes (G. Engelstad)**

Genia asked why the Department couldn’t schedule Webinars for Escrow Management Training Classes. She stated that she had come across information that showed Louisa doing a Webinar for Mortgage Bankers. Kathy states that the escrow class is only for officers, directors, owners and managers, and with a Webinar you could not restrict who attended. The Department is concerned that the examples given in the class may provide information to employees that could assist them in misusing trust funds. A suggestion was made that perhaps a class without specific examples could be held. The point was also made that the information of concern is already available via other sources. Genia will be sending Kathy more information on this topic.

5. **Update on Changes in CPA Reporting as they Relate to Escrow Companies (J. Behm)**

Per Jeff, the changes are still happening and the process continues. Of primary concern for escrow companies is the handling of leases. All leases will be put on the balance sheet and will also show as a liability. This would affect liquidity. The hope of the oversite bodies for the accounting profession is to have the final proposal for the accounting changes finalized by December 31, 2011, and it is anticipated that the reporting changes would be effective by December 15, 2012.

6. **Incorporated Escrow Operations Not Licensed by DOC (B. Stidham)**

Kathy states that she checked with the DRE and a new law took effect this year that states that a broker’s escrow fictitious business name must contain the words “a non-independent broker escrow” in the name or
in advertising. Beulah stated that she sees escrow instructions with a different name than the broker’s license. M. Davis stated that this was misleading to the public. They should not be a corporation; a “division is okay. Otherwise, they need to be licensed by the Department. Kathy stated she would check with the Office of Policy for guidance as to whether the Department has the power to do anything to curb this.


Bill Nelson brought up this topic, and it was acknowledged that the committee had met a few months back regarding this matter. Dan Bovill informed the group that he will now receive e-mails of revocations, which will help to cut losses. Kathy stated that the Department can only share public information. A question was brought up as to whether it is allowable for EAFC to share information with the Department. Dan Bovill stated that per Section 17346 of the Financial Code, EAFC could audit members at any time and give DOC information in order to cut losses.

8. **Enforcement Action Update**

Kathy passed out the enforcement information and licensee statistics. As of May 31, 2010 there are 762 licensed companies and 1044 licensed locations.

A request for a change in date for the next meeting was made. The next meeting was scheduled for Wednesday, September 8, 2010 at 10:00 a.m.

The meeting adjourned at 11:40 a.m.

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**Mark Your Calendars!**

2011 Spring Conference has been set!

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Welcome New Member!

The following company was approved at the July 8 Board of Directors Meeting:

ESCROW MEMBER

McGOVERN ESCROW SERVICES, INC.
100 Montgomery Street, Suite 1200
San Francisco 94104
(415) 735-3645
(415) 358-5732 – Fax
Contact: Elizabeth McGovern
E-Mail: elizabeth@mcgovernescrow.com

If you run into our new Member at a meeting, please be sure to extend a warm welcome!

Open Letter to the Escrow Institute Board and Membership
from
Sunny Maden, South Hills Escrow Corp.

Dear EIC Officers, Directors, Members and Affiliates:

We closed South Hills Escrow Corp. on July 31, 2010 after 53 years. We thank each of you for many years of loyalty to EIC, involvement in CEA and the business referrals. Thank you to so many of you who have participated on the grass roots, state and national level to craft and create legislative decisions and policy for departments and agencies.

Charley and I are enjoying an ongoing relationship and friendship with many people we have met throughout the escrow, real estate and title industry. We hope you will keep us on your e-mail lists and stay in touch. Charley and I will continue our support for professional careers in escrow through the Escrow Institute of California.

Sunny and Charley Maden
(626) 919-3464
sunny@southhillsescrow.com

RECOMMENDATIONS

The California Licensed Escrow Industry is comprised predominately of small businesses, who favor a true free market while understanding the need for reasonable and effective regulations and consumer protections. We want the consumer to be empowered, not coddled. We want them to have real information and to be encouraged to look out for their own best interests and not be lulled into a false sense of security in thinking that any regulator has the capacity to protect them from all the potential pitfalls in a real estate sale or purchase, which is one of the largest and most significant financial transactions they will make in their lives.

We recommend a rule that incorporates clear requirement for the meaningful disclosure of Affiliations, reasonably in advance of the selection of service providers. One which gives consumer an opportunity to shop and compare the real economic and market value of what they are being offered in exchange for accepting an affiliated service provider and which both encourages and provides an opportunity for them to investigate the quality of the services offered in comparison to others.

We recommend clear and meaningful penalties for those who disregard or skirt the systems in place to empower consumers in their decision making process. We have seen this play out over and over each time new laws or regulations are enacted, effectively voiding the potential value.

Finally, we seek recognition that any law or regulation that is not enforced sufficiently is ultimately only followed by those who would probably not need it to do the right thing anyway. Enforcement must be reasonable but persistent and pervasive to have any effect on the marketplace.
ESCROW INSTITUTE OF CALIFORNIA
GENERAL MEMBERSHIP MEETING
Thursday, September 9, 2010

Where: The Grand – Long Beach Event Center
4101 East Willow Street
Long Beach 90815

(562) 426-0555

Directions: North / South 405 Fwy – Going North on 405 take Lakewood Blvd (Exit 27) and veer to your left (go under freeway). Going South on 405 take Lakewood Blvd S exit and keep right at the fork – merge onto Lakewood Blvd. (CA-19). Right on E. Willow Street. Event Center is on the right past the Residence Inn OR you can Mapquest, Google or Yahoo (Maps) for directions from your office / home.

Time: Registration / Cocktails: 6:00 p.m. / Dinner – 6:30 p.m. / Program – 7:30 p.m.

Program: **Update on California’s Unclaimed Property Law**

The Annual Escheat Reports are due to the State Controller’s Office no later than November 1st. Mr. Pruitt will review the New Requirements for escrow agents to provide notice to owners of unclaimed funds prior to the escheatment period. Issues found in field audits by the Controller’s staff will also be reviewed.

*Speaker: Chris Pruitt – Principal – Reconworks*

**Fidelity & Computer Crime Insurance Program**

Recently, an independent escrow company lost through an outside hacker $465,000 from their trust account. The hacker was able to go around the various internet/wire protections. Neither the EAFC nor the EIC Personal Property Escrow Fidelity Programs covers for loss of operating funds due to employee theft, or loss of either operating funds or trust obligations due to computer fraud. The Institute’s Insurance Underwriter and Broker will discuss this emerging crisis and the introduction of the NEW Fidelity & Computer Crime Insurance Program. We will be joined by representatives from our Affiliated Banks to share their observations and recommendations to protect the escrow trust accounts.

*Speaker: Adam McDonough (Invited) – Lockton Insurance Brokers*

Cost:

- Member: $40.00 (employees of a Member Company pay this price)
- *Non Member/Guest: $50.00*

Menu: Rio Grande Buffet

Parking:

Complimentary parking is available for all guests in the parking structure adjacent to the main building of the Event Center. Parking is NOT allowed at the Jewish Community Center (J.C.C.) across the street. Those parking at the J.C.C. will be towed at your own expense. Parking is not allowed in front of the main entrance of the Event Center.

PAY AT THE DOOR: $55.00

“No Shows” will be billed accordingly

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**DEADLINE FOR RESERVATIONS: September 7, 2010**

This meeting qualifies for 2.0 credits for CEA

Please fill out the Meeting Reservation Form and submit with your check payable to Escrow Institute or supply your credit card information and fax to (760) 942-1048. **Questions**: Contact the EIC Office at 1-800-337-2769 or 760-633-4342.

*Not sure if you are a Member of the Institute, please check our website at www.escrowinstitute.org. If not listed, please ask for further information on how to become a Member by calling the Institute Office at (800) 337-2769.*
ESCROW INSTITUTE OF CALIFORNIA
GENERAL MEMBERSHIP MEETING
Thursday, September 9, 2010
6:00 – 9:00 p.m.

The Grand – Long Beach Event Center, 4101 E. Willow Street – (562) 426-0555

RESERVATION FORM
(Deadline for Reservation: September 7, 2010)

Please make your reservation as soon as possible, as this meeting will sell out.

Member Cost: $40.00 (Employees of a Member Company pays the Member cost.)
$50.00*

Attendee(s):

Company:

Phone #: E-Mail:

Pay at the Door: $55.00 per person – “No Shows” will be billed accordingly

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(NO Refunds on Cancellations accepted on or after September 7, 2010)

*Not sure if you are a Member – Check the EIC website at www.escrowinstitute.org

Checks payable to Escrow Institute – Mail to: PO Box 1069, Carlsbad, CA 92018-1069 – If paying by check, make sure your check reaches us no later than September 8th.

Questions: Call the EIC Office at (760) 633-4342 or E-Mail: admin@escrowinstitute.org

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Since 1947, Escrow Institute of California has been working with determination representing the independent escrow practitioners. We appreciate and value the referral of new members.

Through the end of the 2010 year, for every qualified new member referred to us, which results in a fully paid registration, your EIC account will be credited $100.00. Credited funds can be used towards general meetings, spring conference, or next year’s dues.

There is no limit to the number of new members you can refer. The more members you refer, the more savings you obtain!

DETAILS
The new member must meet eligibility requirements and result in a fully paid membership. The credit will be applied to your EIC account upon the completed registration and full payment from the referral.
Pilgrims Quiz

By Myriam Gabriel-Pollock – MSN Encarta

Pilgrims are known for their rigid lives of religious devotion. But underneath the austerity, lay intrepid explorers with a knack for rugged living and a determination to survive on alien soil. Learn more about the hardships these English colonists endured for religious freedom and a new cultural identity, in this Pilgrims Quiz.

1. About how long did it take for the Pilgrims – early English settlers who founded the first settlement in New England – to sail from Plymouth, England, to where they dropped anchor near Provincetown, Massachusetts?
   a) Three weeks
   b) Over two months
   c) About four months
   d) Almost seven months

2. The *Mayflower* – which, at about 27 m (90 ft.), was just a bit longer than a standard tennis court – had 102 passengers, plus a crew of 30. There were far too many people on board; why was the ship so overloaded?
   a) There were more than 20 stowaways who were not discovered until the ship was out at sea.
   b) The Pilgrims did not give the ship’s captain a correct account of its passengers.
   c) The Pilgrims forgot to add the 37 children to the ship’s passenger roster.
   d) The other ship on the journey, the *Speedwell*, was leaking; all but 20 passengers on this ship were moved to the *Mayflower*.

3. Once the Pilgrims had decided to settle in an abandoned Wampanoag village near the harbor, they began building homes. What were the Pilgrim houses modeled after?
   a) The wooden, thatch-roofed English cottage
   b) The river rock and mud homes found in rural parts of England
   c) The circular, grass- or bark-roofed homes of the Wampanoag Indians who lived nearby.
   d) The finely crafted and spacious dwellings of the Dutch Colonial style.

4. When the Pilgrims first began exploring the Cape Cod area, they found and stole large baskets of food that the Wampanoag Indians had buried on a big hill. What was in the baskets?
   a) Dried Fish
   b) Barley and wheat seeds
   c) Sweet potatoes
   d) Corn kernels

5. Early life in Plymouth Colony was quite hard, with more than half the Pilgrims dying by the end of their first winter. What caused this to happen?
   a) Inadequate housing
   b) Poor nutrition
   c) Diseases such as scurvy and pneumonia
   d) All of the above
6. Squanto (or Tisquantum) was a Native American who became associated with the Wampanoag tribe after his own Patuxet tribe was decimated by a plague. He helped the Pilgrims immeasurably. What did Squanto not do for the Pilgrims?
   a) Teach them how to plant corn
   b) Teach them how to build an indoor cooking pit
   c) Act as a guide and interpreter
   d) Teach them how to fish and hunt in the area

7. Home building was a long and arduous task for the Pilgrims; after a year in Plymouth, only seven homes had been completed. Where did the Pilgrims live while building more homes?
   a) In makeshift or shacks in the colony
   b) Aboard the Mayflower
   c) Several families crammed into each of the available homes
   d) In the caves they found on the hills above Plymouth

8. Life in the colony included a lot of physical labor for all the Pilgrims, including the children. What was a daily chore for all households in the colony?
   a) Cutting and fetching wood; tending the fire
   b) Hunting, gathering and preparing food
   c) Fetching water in wooden buckets
   d) All of the above

9. Which statement regarding the “First Thanksgiving,” during the autumn of 1621, is true?
   a) The Wampanoag Indians brought 14 wild turkeys as a gift to the Pilgrims
   b) Between meals, the Pilgrims and the Wampanoag played games
   c) It was a large sit-down feast with the Pilgrims and the Wampanoag Indians all together
   d) The Pilgrims still had very little food to eat, so the Wampanoag brought most of it

10. What eventually happened to the Plymouth Colony?
    a) The Pilgrims left and moved to larger outlying colonies

Answers to Quiz:
   1. d
   2. a
   3. d
   4. d
   5. b
   6. b
   7. d
   8. d
   9. c
   10. a