

**Senate Bill No. 1363**

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Passed the Senate August 26, 2010

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*Secretary of the Senate*

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Passed the Assembly August 19, 2010

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2010, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 17405.5 to the Financial Code, relating to escrow agents.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1363, Runner. Escrow agents.

Existing law, the Escrow Law, provides for the licensure and regulation of escrow agents by the Commissioner of Corporations. Each person licensed under that law is required to participate as a member of Fidelity Corporation, a nonprofit mutual benefit corporation, established to indemnify its members against loss. Existing law requires a shareholder, officer, director, trustee, manager, or employee of an escrow agent to obtain a Fidelity Corporation Certificate as a condition of employment.

This bill would require an officer, director, trustee, or escrow manager of a licensee who has access to money or negotiable securities of the licensee, and certain other persons, to complete a course in escrow management conducted by the commissioner, within 12 months following their receipt of a Fidelity Corporation Certificate, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. Section 17405.5 is added to the Financial Code, to read:

17405.5. (a) The following persons shall complete a course in escrow management conducted by the commissioner within 12 months of their receipt of a Fidelity Corporation Certificate:

(1) Any officer, director, trustee, or escrow manager of an escrow agent, whether or not compensated, who has access to money or negotiable securities belonging to the escrow agent in the regular discharge of his or her duties.

(2) Any person who may draw checks upon the escrow agent or upon the trust funds of the escrow agent in the regular discharge of his or her duties.

(3) Any other person, as determined by the commissioner.

(b) The commissioner may charge persons required to comply with this section a reasonable fee, as determined by the commissioner, to cover the costs to administer this section.

(c) This section shall apply to all licensees that become newly licensed or that undergo a change in ownership on or after January 1, 2011, and to all persons described in subdivision (a) who are hired on or after January 1, 2011, by licensees that were in existence prior to that date.

(d) For purposes of this section, a “change in ownership” shall be deemed to have occurred when a licensee is required to file a new application for licensure pursuant to the requirements of Section 17213, and that license application is approved by the commissioner.

Approved \_\_\_\_\_, 2010

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*Governor*