



New Mexico Regulation and Licensing Department FINANCIAL INSTITUTIONS DIVISION

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www.rld.state.nm.us/financialinstitutions

November 27, 2019

Michelle Lujan Grisham
Governor

Marguerite Salazar
Superintendent

Claudia Armijo
Deputy Superintendent

Daniel Rubin
General Counsel

Christopher Moya
Director of
Financial Institutions

**RE: Roswell Escrow Services, Inc.; Preliminary Injunction; Next Steps;
Information for clients of Roswell Escrow Services, Inc., concerning
potential claims against the company.**

Dear Clients of Roswell Escrow Services, Inc.:

On November 26, 2019, a “Stipulated Order of Preliminary Injunction and Temporary Authority” was entered by the Hon. Bryan Biedscheid in the case of Financial Institutions Division v. Roswell Escrow Services, Inc., *et al*, Case No. D-101-CV-2019-02979. Because the Financial Institutions Division (FID) was able to reach an agreement with the Respondents on a stipulated order for the preliminary injunction, no court hearing was necessary on November 27, 2019, and the court hearing scheduled for that date was vacated.

The FID brought the legal action that led to the preliminary injunction against Roswell Escrow Services, Inc. (RES) following an examination of the company by the FID that revealed the accounts and capital of RES are in a clearly unsafe and unsecure financial condition. The FID’s examination of the records and accounts of RES to date have revealed over \$1.5 million to be missing from the escrow company’s client trust account. The preliminary injunction issued by the court in this matter effectively freezes the bank accounts of RES, provides the FID the authority to seize and protect all records and assets of RES and all records and files that RES held for its customers. The primary purpose for the FID’s actions on this matter have been to prevent additional financial harm to the customers of RES.

A copy of the “Stipulated Order of Preliminary Injunction and Temporary Authority” has been posted on the FID’s website at: <http://www.rld.state.nm.us/financialinstitutions/>. On that website can also find the “Application for Temporary Restraining Order, Enforcement Order and Preliminary Injunction” which provides additional details concerning the FID’s findings regarding RES that led to the preliminary injunction being issued. Updates on information regarding the ongoing examination, FID regulatory actions, and court proceedings will continue to be posted on the FID website. Many customers of RES have already contacted the hotline telephone number the FID has set up for RES clients to contact the FID, and we continue to encourage all RES customers to contact the FID via the hotline so that current/accurate record can be compiled of each customer’s contact information and concerns. The FID hotline phone number for the RES matter is 505-660-4687.

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

PLEASE NOTE: The offices of RES are completely closed. No payments are being accepted, and no business activities are being conducted, at the RES offices located at 204 W. Second, Roswell, New Mexico. Clients of RES are instructed NOT to send payments to RES via U.S. Mail (or any other delivery service) and NOT to attempt to slide payments under the doors to the RES offices – such payments may be permanently lost, with no credit being applied to client accounts.

The FID's examination of RES continues, and there is no current date set for when the preliminary injunction will be concluded. At this time, it is anticipated by the FID that it will be necessary for the FID to move forward to seek a permanent injunction and the appointment of a receiver to take over responsibility and control of RES.

Again, if you are a customer/client of RES, or if you have information you believe may be relevant to the FID's examination of RES, please call the FID's hotline number at: 505-660-4687.

Respectfully,



Christopher Moya
Director