

▶ PLAYA *del rey*



Vickie Everly, escrow officer and branch manager for Chicago Title's Rancho Bernardo, California office, recently opened a for sale by owner (FSBO) transaction for a commercial retail space in Playa del Rey, California. The commercial building was being sold for \$399,000.

Vickie immediately noticed some red flags — there was no broker involved in the transaction and the office opening the transaction was in San Diego County, but the property was located in Los Angeles County.

Vickie began reviewing the eight-page, hand-typed purchase agreement and discovered the earnest money deposit in the amount of \$135,000 was supposed to be released to the seller prior to closing. The purchase agreement called for a closing date of June 8, 2024, which was a Saturday.

Vickie thought the sale price was significantly low for a commercial property located in Playa del Rey. She decided to look up the market value of the property using ValueCheck, which reflected the property's worth as \$2,295,400. That was a huge discrepancy between the sales price and the value of the property. This was yet another red flag.

Next, Vickie looked at the signature line on the purchase agreement. The property was owned by a Limited Liability Company (LLC), but the purchase agreement was signed using the entity name and no managing member. This was another red flag because all organizations need an authorized signer.

Vickie sent a Notice of Pending Real Estate Transaction to the address where the property tax bills were being sent. She had a feeling she was dealing with an imposter. While she waited for the true owner to respond to the notice, she requested organizational documents from the imposter via email. The imposter did not respond to her request.

The earnest money deposit arrived in the form of a U.S. dollar draft in the amount of \$135,000 drawn on a foreign bank in Canada — Scotiabank. The use of a foreign bank is another red flag. She informed the buyer and seller she could not accept the deposit, and demanded a wire transfer instead.

Just as Vickie sent out the demand for a wire, the true owner called and confirmed her suspicions. The property was not for sale and the person Vickie had been dealing with was indeed an imposter.

Scotiabank 7191 TECUMSEH RD E WINDSOR ON N8T 3K4		U.S. DOLLAR DRAFT		922139				
		DATE		2024 04 16 Y Y Y Y M M D D				
PAY TO THE ORDER OF CHICAGO TITLE SAN DIEGO			\$***135,000.00					
SUM OF EXACTLY ONE HUNDRED THIRTY FIVE THOUSAND DOLLARS**00/100			U.S. FUNDS					
TO: ANY BRANCH OF THE BANK OF NOVA SCOTIA		THE BANK OF NOVA SCOTIA		<table border="1"> <tr> <td>AUTH NO. W118</td> <td rowspan="2">  AUTHORIZED OFFICER </td> </tr> <tr> <td>AUTH NO. W112</td> </tr> </table>		AUTH NO. W118	 AUTHORIZED OFFICER	AUTH NO. W112
AUTH NO. W118	 AUTHORIZED OFFICER							
AUTH NO. W112								
Purchaser's Name: FRANK ADAIR								
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Vickie immediately resigned from the transaction and notified her title officer and management team of the failed attempt at the Seller Impersonation Fraud. In spreading the word throughout the family of Companies it was discovered the fraudster opened a total of nine (9) transactions for the same property at different branded offices throughout Southern California.

Vickie could have ignored all the red flag warnings she uncovered while processing the sale transaction, but she did not. She took each warning to mean she needed to dig deeper to discover if this sale was a Seller Impersonation Fraud. She followed each lead to the end and as a result, thwarted the crime.