



## **Hershorin & Henry, LLP**

### **Interpleader Department Update**

Members of Hershorin & Henry have been handling interpleaders for over thirty one years. Hershorin & Henry has been entrusted with over \$12,000,000 in escrow trust account funds to deposit with the court because the parties to the escrow could not agree on how the funds were to be distributed. Disputed escrow funds represent a potential liability for escrow corporations and add administrative burdens on the escrow to insure that the disputed funds are not misapplied. An escrow that takes it upon itself to release funds to one party over the objections of the other party is making a potentially dangerous decision that could lead to protracted and expensive litigation. Hershorin & Henry works diligently with its escrow clients so they can avoid this potential liability.

When the parties cannot agree to the disposition of the escrow funds, it is critical that the escrow officer get the funds interplead with the court as soon as possible. A prudent escrow corporation uses the "interpleader" legal process to deposit disputed escrow funds with the court. The parties to the escrow can then assert their opposing claims to the funds that the court - rather than the escrow - is now holding, while the escrow corporation is released.

The interpleader process may be perceived as complex or inviting litigation because the court is involved. But Hershorin & Henry's clients know that it is in actuality a quick and, for the escrow, a painless process. In fact, all court costs are advanced by Hershorin & Henry and its legal fees and costs are paid from the interplead funds.

Hershorin & Henry is committed to protecting its escrow clients' rights and helping them conduct their escrow business efficiently and profitably. For that reason, Hershorin & Henry has committed its personnel and resources over the years to

develop expertise in this niche law practice. Hershorin & Henry's pleadings, processes and courteous approach to the parties involved comply fully with State law and the myriad of local procedures that many courts now require be met. Hershorin & Henry is there to help you, at no cost to the escrow corporation. Please call on us to handle your interpleader needs.

## **TOP 5 REASONS TO INTERPLEAD DISPUTED ESCROW FUNDS**

1. Interpleading disputed escrow funds will release the escrow corporation from potential liability.
2. Disputed escrow funds that are not interplead must be held in trust and accounted for accordingly.
3. Helping escrow clients claim their funds builds loyalty and trust because the escrow corporation is acting professionally and responsibly in using the proper legal process so the dispute can be resolved by the parties in court without escrow's involvement.
4. The California Department of Business Oversight closely regulates escrow corporations and how they account for and handle escrow funds.
5. Fines and license restrictions may be imposed against escrow holders for violations involving mishandling of escrow funds.

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As always, we are here to assist with your real estate litigation needs.

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