

[Click to Print](#)[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Old escrow firm eyes the future

By **Emmet Pierce**
STAFF WRITER

August 27, 2006

For more than a half-century, the Allison-McCloskey Escrow Co. has been a fixture along El Cajon Boulevard, the busy thoroughfare that cuts through San Diego's densely populated Mid-City area.

While some of the businesses that surround it are showing their age, the escrow company has remained virtually unchanged. The firm was established by partners Johnny McCloskey and Joe Allison in 1946, just a few blocks from the present location.

The business, which moved to El Cajon Boulevard near 48th Street in 1948, is “the oldest independent escrow company in San Diego County,” said current President Bill McCloskey, 54. “I get people who come in and say, 'My grandfather used to come in here.'”

The walls inside the one-story stucco building are decorated with certificates and photographs. The collection includes a 1950s photo of a beaming Johnny McCloskey and his staff. A more recent keepsake is a framed letter from President Bill Clinton that Johnny's son Bill received in 1999, when he was president of the San Diego County Escrow Association.

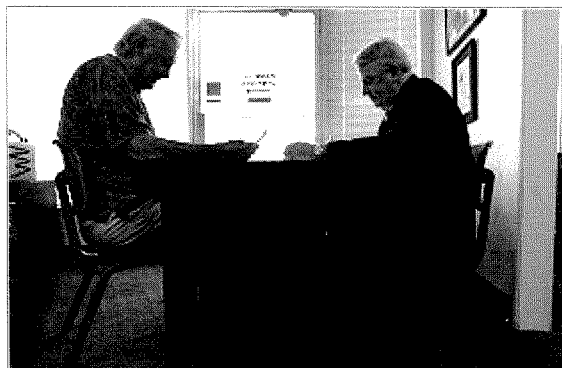
Johnny McCloskey, now 88, began his career at age 18 when he took a job as a messenger for a downtown title company. He said he found the position – and a lifelong career path – purely by chance.

“The Depression was just getting over and I was going door to door looking for a job,” he recalled. “I was there for six or seven years until the war came along.”

After serving as a soldier in Europe during World War II, he returned to San Diego to start an independent escrow company.

“My partner was Joe Allison,” he said. “I bought him out about 1953. I never felt like I was working. It was always fun, just the challenge of taking escrows and closing them. They are all different.”

To the uninitiated, escrow work may seem tedious, but the elder McCloskey found it to be a colorful profession, filled with interesting characters and surprising situations. He recalled how a Lemon Grove man once used a herd of goats as collateral for a down payment on a house. Then there was the time a man showed up with a pistol and threatened to use it on his brother if he showed up during the



JOHN GIBBINS / Union-Tribune
Bill McCloskey, president of an old-line San Diego escrow firm, went over escrow instructions with Robert Langdon.

transaction.

Although he grew in stature as a businessman, he never grew out of his boyhood nickname. Throughout his career, clients, employees and peers have known him as “Johnny.”

“I’ve always been Johnny,” he said with a laugh.

When Bill McCloskey went to work for his father in 1972, he wasn’t sure if it would become his career.

“Growing up, I didn’t pay much attention to the firm,” he said. “After going to San Diego State University I thought, ‘Why don’t I come down and learn the business for a while?’ I had majored in accounting and I liked numbers.”

He found that he also liked customer service. “Escrow gave me the best of both worlds: working with numbers and working with people.”

Garamendi's plan

At one time the McCloskey business included 15 offices in the San Diego and Los Angeles areas. Bill McCloskey has pared the operation down to two offices: the El Cajon Boulevard branch and another in Pacific Beach. He said it was cumbersome to keep track of activities at multiple branches. He recalled that his father spent much of his time driving between locations.

Today Johnny McCloskey rarely visits his old business. He stays in touch by phone and his son still “picks his brains” from time to time. These days there’s a lot to consider.

Asserting that there is a lack of competition in the title and escrow business, California Insurance Commissioner John Garamendi has proposed rolling back rates for title companies and the escrow operations they control. While the independent Allison-McCloskey Escrow Co. isn’t regulated by Garamendi’s office, any action the commissioner takes will have a ripple effect, Bill McCloskey said. “It’s going to affect the whole industry.”

Escrow costs are tied to the price of properties. Garamendi’s proposal would establish “interim maximum rates” based on fees in 2000, before the real estate boom caused home prices to soar.

Garamendi says the result would be a 23 percent reduction in title insurance rates for a home purchase, a 16 percent drop in the cost of title policies for refinancing, and a 27 percent decrease in the cost of services provided by title insurers.

Serious threat

P.J. Garcia, who chairs the Escrow Institute of California trade group, said the owners of independent escrow companies view the proposal as “a serious threat” to their livelihoods.

As the pace of home sales has slowed in recent months, escrow business has declined. A 27 percent reduction in fees would make it difficult for some independents to survive, she said.

“The real estate market has been soft the last eight or nine months,” Garcia said. “It is extremely competitive. We tend to be small, local companies and therefore are more vulnerable to things like artificially deflated prices.”

In Southern California, independent escrow companies are common, but in the northern half of the state, most escrow operations are part of title insurance companies, Garcia said. It is those companies that are

directly regulated by the state Department of Insurance.

Title insurance protects home buyers and lenders against errors in real estate transactions, such as an undiscovered liens. An escrow officer is a neutral party who holds the documents and money involved in a real estate transaction and makes sure all conditions of the sale are met.

Johnny McCloskey said Garamendi's proposed rollback could force some independents to find a new way to make a living.

“Being in the escrow business is not a big-profit item,” he said. “We can make a good living at it. Most (independent) escrow businesses are mom-and-pop. If you cut the fees, I doubt very much that there would be a heck of a lot of people left. A lot of people would drop out of the picture.”

■ Emmet Pierce: (619) 293-1372; emmet.pierce@uniontrib.com

[»Next Story»](#)

Find this article at:

http://www.signonsandiego.com/uniontrib/20060827/news_mz1h27escrow.html

 [Click to Print](#)

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.