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8
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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12	In the Matter of:)	
13)	ESCROW LICENSE NO.: 9630535
14	THE COMMISSIONER OF FINANCIAL)	
15	PROTECTION AND INNOVATION,)	
16	Complainant,)	ORDER REVOKING ESCROW AGENT’S
17	v.)	LICENSE
18)	
19	CAVALCADE ESCROW CORPORATION,)	
20	Respondent.)	

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22 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner
23 or Complainant) of the Department of Financial Protection and Innovation (Department), finds that:

24 **I.**

25 **Introduction**

26 1. The Commissioner seeks to revoke the escrow agent’s license issued to Cavalcade
27 Escrow Corporation (Cavalcade Escrow) based upon its violations of the California Escrow Law
28 (Fin. Code, §§ 17000 et seq.) (Escrow Law), as set forth below.

1 2. Cavalcade Escrow is an escrow agent licensed by the Commissioner under the Escrow
2 Law.

3 3. Cavalcade Escrow’s principal place of business was located at 17480 E. 17th Street,
4 Suite 101, Tustin, California 92780.

5 **II.**

6 **Violations of the Escrow Law**

7 4. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
8 required to file an annual audit report containing audited financial statements within 105 days after
9 the close of their fiscal year. Cavalcade Escrow’s fiscal year-end is August 31.

10 5. On July 20, 2022, the Department of Financial Protection and Innovation
11 (Department) notified Cavalcade Escrow that its 2022 Audit Report was due December 14, 2022.
12 Cavalcade Escrow failed to submit its 2022 Audit Report. Cavalcade Escrow failed to submit its 2022
13 Audit Report by the due date.

14 6. On February 21, 2023, The Department warned Cavalcade Escrow of the potential
15 penalties and license revocation if it failed to file the Annual Audit Report within ten days.

16 7. Cavalcade Escrow failed to submit its 2022 Audit Report, in violation of California
17 Financial Code section 17406.

18 8. Pursuant to Financial Code section 17600, subdivision (a), an escrow agent’s license
19 remains in effect until surrendered, revoked, or suspended.

20 9. On August 15, 2022, Cavalcade Escrow informed the Department that it had dissolved
21 the company and closed its business and requested to surrender its license. Cavalcade Escrow stated
22 that it did not intend to perform any post-closure audit.

23 10. On August 17, 2022, the Department notified Cavalcade Escrow about the surrender
24 process requirements including the reports it had to produce, and the actions it had to take for the
25 Commissioner to make a determination whether to accept Cavalcade Escrow’s license for surrender.
26 The Department further informed Cavalcade Escrow about submitting its closing audit, returning the
27 license and all other indicia of licensure to the Commissioner and properly reconciling its trust
28 accounts or escheating them to the state.

1 11. On July 28, 2023, Cavalcade Escrow submitted a surrender packet, but it failed to
2 submit the required closing audit report that was due on November 11, 2023.

3 12. On February 9, 2023, and February 22, 2023, the Department reminded Cavalcade
4 Escrow about the required reports and items needed to process Cavalcade Escrow’s license surrender
5 request. The Department also reminded Cavalcade Escrow that simply notifying the Department of
6 its business closure and submitting a few items about its trust reconciliation does not meet the
7 requirements for the Commissioner to accept of its license surrender request.

8 13. Cavalcade Escrow failed to submit the required reports, information and items
9 required by Financial Code section 17600. The Commissioner never accepted Cavalcade Escrow’s
10 surrender request.

11 14. Financial Code section 17348 requires that each licensed escrow agent must file an
12 Annual Escrow Liability Report by February 15 of each year.

13 15. On December 19, 2022, January 13, 2023, and February 3, 2023, the Department
14 notified Cavalcade Escrow that its 2022 Escrow Annual Liability Report was due by February 15,
15 2023.

16 16. Cavalcade Escrow failed to submit its 2022 Escrow Annual Liability Report, in
17 violation of California Financial Code section 17348.

18 17. Pursuant to California Financial Code section 17207, subdivision (e)(1), Cavalcade
19 Escrow was required to pay an annual assessment in an amount of \$2,800.00 for fiscal year 2023-
20 2024.

21 18. Pursuant to California Financial Code section 17207, subdivision (h)(1), Cavalcade
22 Escrow was required to pay an additional special assessment in the amount of \$1,000.00 for fiscal
23 year 2022-2023.

24 19. Cavalcade Escrow failed to pay its annual and special assessments, in violation of
25 California Financial Code section 17207.

26 20. Based on the above, the Commissioner finds that Cavalcade Escrow has violated
27 Financial Code sections 17406, 17600, 17348, and 17207.

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III.

Accusation to Revoke

21. On August 30, 2024, pursuant to California Financial Code sections 17608 and 17602.5, the Commissioner issued to Cavalcade Escrow a Notice of Intent to Issue Order Revoking Escrow Agent’s License, Accusation, and accompanying documents for Cavalcade Escrow’s violations of the Escrow Law (Accusation to Revoke).

22. On or around September 12, 2024, the Commissioner served the Accusation to Revoke on Cavalcade Escrow. The Department has received no request for a hearing from Cavalcade Escrow and the time to request a hearing has expired.

IV.

Revocation Order

NOW, GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent’s license of Cavalcade Escrow Corporation be revoked effective this date.

Dated: October 21, 2024
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division