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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA
12

13	In the Matter of:)	
14	THE COMMISSIONER OF FINANCIAL)	ESCROW LICENSE NO.: 963-1342
15	PROTECTION AND INNOVATION,)	
16)	ORDER REVOKING ESCROW AGENT’S
17	Complainant,)	LICENSE
18	v.)	(Fin. Code §§ 17602.5 and 17608)
19	MELROSE ESCROW, INC.,)	
20	Respondent.)	
21)	

22 The California Commissioner of Financial Protection and Innovation (Commissioner) finds:

- 23 1. Melrose Escrow, Inc. (Respondent) was an escrow agent licensed by the
- 24 Commissioner under the California Escrow Law.
- 25 2. On October 7, 2025, Respondent submitted a request to surrender its escrow agent
- 26 license to the Department of Financial Protection and Innovation (Department).
- 27 3. On October 7, 2025, the Department notified Respondent about the surrender process
- 28 requirements including the reports it had to produce, and the actions it had to take in order for the

1 Commissioner to make a determination whether to accept Respondent’s license for surrender. The
2 Department informed Respondent about submitting its closing audit, returning the license and all
3 other indicia of licensure to the Commissioner and properly reconciling its trust accounts or
4 escheating them to the state.

5 4. The closing audit report was due on January 20, 2026.

6 5. Respondent failed to submit its closing audit report, failed to produce the necessary
7 information, and failed to return the license.

8 6. On November 19, 2025 and January 22, 2026, Respondent was notified that failure to
9 produce the requested report and information would result in revocation of its license and assessment
10 of penalties, pursuant to Financial Code sections 17408, 17602.5, and 17608.

11 7. Respondent requested an extension on January 29, 2026, to submit the closing audit
12 report and the supporting financials and materials. On January 29, 2026, the Commissioner granted
13 Respondent an extension to February 20, 2026 to submit the closing audit report and financials.
14 Respondent failed to meet that extended deadline and has yet to submit the closing audit report and
15 financials.

16 8. Respondent’s surrender request was never accepted by the Commissioner due to its
17 failure to submit the necessary reports and information and failure to take the necessary actions.

18 9. Respondent’s 2024 Annual Audit Report was due on April 15, 2025. Respondent
19 failed to submit this report.

20 10. From October 7, 2025 to March 2, 2026, the Department demanded Respondent to
21 produce its 2024 Annual Audit Report, financials, trust reconciliation reports, detailed information
22 about its escrow file locations, and other materials.

23 11. Respondent only partially responded and failed to provide the Department with the
24 2024 Annual Audit report, financials reconciliation reports and information.

25 12. On November 19, 2025 and January 22, 2026, Respondent was notified that failure to
26 produce the requested information would result in revocation of its license and assessment of
27 penalties, pursuant to Financial Code sections 17408, 17602.5, and 17608.

28 13. Respondent requested an extension on January 29, 2026, to submit the 2024 Annual

1 Audit Report, the reconciliation reports, and the supporting financials. On January 29, 2026,
2 Commissioner granted Respondent an extension to February 20, 2026, to submit the requested reports
3 and financials and materials. Respondent failed to meet that extended deadline and has yet to submit
4 the requested reports and financials.

5 14. The Commissioner finds, that by reason of foregoing, Respondent violated:

6 (a) Financial Code section 17600, subdivision (b): failing to submit the closing audit
7 report, financials and information and failing to take the necessary actions in
8 connection to the surrender requirements;

9 (b) Financial Code section 17406, subdivision (a): failing to file its 2024 Annual Audit
10 Report; and

11 (c) Financial Code sections 17405 and 17601: failing to file necessary reports, financials,
12 trust reconciliation reports, detailed information about its escrow file locations, and
13 other materials.

14 15. On March 9, 2026, the Commissioner issued his notice of intention to issue an order
15 revoking Respondent’s escrow agent’s license, Accusation, and accompanying documents
16 (Revocation Action) based upon the above.

17 16. Respondent was served with the Revocation Action on March 12, 2026. The
18 Department has received no request for a hearing and the time to request a hearing has expired.

19 NOW GOOD CAUSE APPEARING THEREFORE, pursuant to sections 17602.5 and 17608
20 of the Escrow Law, it is hereby ordered that the escrow agent’s license of Melrose Escrow, Inc. be
21 revoked effective this date.

22 DATED: April 20, 2026
23 San Diego, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



24 By: _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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