

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (BAR NO. 250107)
Corporations Counsel
4 1350 Front Street, Room 2034
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6 Attorneys for Complainant

7

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10

In the Matter of the Accusation of THE
11 CALIFORNIA CORPORATIONS
12 COMMISSIONER,

) File No.: 963-2551

13

Complainant,

) **ACCUSATION IN SUPPORT OF
14) REVOCATION OF ESCROW AGENT'S
15) LICENSE**

16

v.

17

BOARDWALK ESCROW, INC.,

18

Respondent.

19

20 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
21 believes, and based upon such information and belief, alleges and charges Respondent, Boardwalk
22 Escrow, Inc. ("Boardwalk Escrow") as follows:

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I.

24

Boardwalk Escrow is an escrow agent licensed by the Commissioner pursuant to the Escrow
25 Law of the State of California (California Financial Code Section 17000 et seq.). Boardwalk Escrow
26 has its principal place of business at 25241 Paseo De Alicia, Suite 225, Laguna Hills, CA 92653.

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II.

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Pursuant to California Financial Code section 17202, all licensees must maintain a surety

1 bond in the minimum amount of 25,000.00. On October 12, 2010, American Contractors Indemnity
2 Company notified the Commissioner that it had elected to cancel the surety bond of Boardwalk
3 Escrow in its entirety. On October 21, 2010, the Commissioner notified Boardwalk Escrow in
4 writing that its surety bond would cancel on November 13, 2010, and requested Boardwalk Escrow to
5 provide proof of bond replacement or reinstatement. Boardwalk Escrow failed to provide proof of
6 bond replacement or reinstatement.

7 On November 15, 2010, the Commissioner issued an Order to Discontinue Escrow Activities
8 to Boardwalk Escrow. An attempt to personally serve the Order to Discontinue Escrow Activities
9 revealed that Boardwalk Escrow had vacated its licensed location and moved without notifying the
10 Commissioner.

11 On November 29, 2010, the Commissioner sent the Order to Discontinue Escrow Activities,
12 via certified mail return receipt required, to Boardwalk Escrow. The letter was returned with a
13 notation "Return to sender unclaimed - unable to forward". Subsequent attempts to contact
14 Boardwalk Escrow's president and owner, Tina Latham, were unsuccessful. Boardwalk Escrow has
15 yet to provide the Commissioner with proof of bond replacement or reinstatement as required by
16 California Financial Code section 17202.

17 III.

18 Boardwalk Escrow had vacated its licensed location and moved without obtaining prior
19 approval or notifying the Commissioner of a possible new location or the location of its books and
20 records, in violation of California Financial Code section 17213.1 and California Code of
21 Regulations, title 10, section 1730.

22 IV.

23 California Financial Code section 17608 provides in pertinent part:

24 The commissioner may, after notice and a reasonable opportunity to be heard, suspend or
25 revoke any license if he finds that:

26 (a) The licensee has failed to maintain in effect a bond required under the provisions of
27 this division.

28 (b) The licensee has violated any provision of this division or any rule made by the
commissioner under and within the authority of this division.

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V.

The Commissioner finds that, by reason of the foregoing, Boardwalk Escrow, Inc. has violated California Financial Code sections 17202 and 17213.1 and California Code of Regulations, title 10, section 1730, and based thereon grounds exist to revoke the escrow agent's license of Boardwalk Escrow, Inc.

WHEREFORE, IT IS PRAYED that the escrow agent's license of Boardwalk Escrow, Inc. be revoked pursuant to California Financial Code section 17608.

Dated: February 16, 2011
San Diego, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
AFSANEH EGHBALDARI
Corporations Counsel

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
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3 AFSANEH EGHBALDARI (CA. BAR NO. 250107)
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 THE CALIFORNIA CORPORATIONS) File No. 963-2551
11 COMMISSIONER,)
12)
13 Complainant,) **ORDER REVOKING ESCROW AGENT’S**
14 vs.) **LICENSE PURSUANT TO CALIFORNIA**
15) **FINANCIAL CODE SECTION 17608**
16)
17 BOARDWALK ESCROW, INC.,)
Respondent.)

18
19 The California Corporations Commissioner (“Commissioner”) finds that:

20 **I.**
21 **INTRODUCTION**

22 1. On January 22, 2009, the Commissioner issued to Respondent Boardwalk Escrow,
23 Inc. (“Boardwalk Escrow”) an escrow agent’s license, pursuant to the California Escrow Law
24 (California Financial Code Section 17000 et seq.). (All future references to sections are to the
25 California Financial Code unless indicated otherwise.).

26 2. Boardwalk Escrow has its principal place of business at 25241 Paseo De Alicia, Suite
27 225, Laguna Hills, CA 92653.
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II.

VIOLATIONS OF THE ESCROW LAW

3. Pursuant to California Financial Code section 17202, all licensees must maintain a surety bond in the minimum amount of \$25,000.00.

4. On October 12, 2010, American Contractors Indemnity Company notified the Commissioner that it had elected to cancel the surety bond of Boardwalk Escrow in its entirety. On October 21, 2010, the Commissioner notified Boardwalk Escrow in writing that its surety bond would cancel on November 13, 2010, and requested Boardwalk Escrow to provide proof of bond replacement or reinstatement. Boardwalk Escrow failed to provide proof of bond replacement or reinstatement.

5. On November 15, 2010, the Commissioner issued an Order to Discontinue Escrow Activities to Boardwalk Escrow. An attempt to personally serve the Order to Discontinue Escrow Activities revealed that Boardwalk Escrow had vacated its licensed location and moved without notifying the Commissioner.

6. On November 29, 2010, the Commissioner served, via certified mail return-receipt required, the Order to Discontinue Escrow Activities upon Boardwalk Escrow. The letter was returned with a notation “Return to sender unclaimed - unable to forward”. Subsequent attempts to contact Boardwalk Escrow’s president and owner, Tina Latham, were unsuccessful. Boardwalk Escrow has yet to provide the Commissioner with proof of bond replacement or reinstatement as required by California Financial Code section 17202.

7. Boardwalk Escrow vacated its licensed location and moved without obtaining prior approval or notifying the Commissioner of a possible new location or the location of its books and records, in violation of California Financial Code section 17213.1 and California Code of Regulations, title 10, section 1730.

8. On February 16, 2011, the Commissioner issued his Notice of Intention to Issue Order Revoking Escrow Agent’s License, Accusation and accompanying documents (collectively, “Accusation”) against Boardwalk Escrow. On February 16, 2011, the Accusation was served, via certified mail return-receipt requested, upon Boardwalk Escrow. The Accusation was also

1 transmitted electronically to Tina Latham, Boardwalk Escrow’s president and owner. Return
2 receipts show that Boardwalk Escrow received the Accusation on February 22 and March 1, 2011.

3 9. Boardwalk Escrow did not request a hearing and the time to request a hearing has
4 expired.

5 **III.**

6 **APPLICABLE CALIFORNIA ESCROW LAW**

7 Financial Code section 17608 provides:

8 The commissioner may, after notice and a reasonable opportunity to be heard, suspend or
9 revoke any license if he finds that:

10 (a) The licensee has failed to maintain in effect a bond required under the provisions of
11 this division.

12 (b) The licensee has violated any provision of this division or any rule made by the
13 commissioner under and within the authority of this division.

14 (c) Any fact or condition exists which, if it had existed at the time of the original
15 application for such license, reasonably would have warranted the commissioner in
16 refusing originally to issue such license.

17 **IV.**

18 **CONCLUSION**

19 The Commissioner finds that, by reason of the foregoing, Boardwalk Escrow, Inc. has
20 violated California Financial Code sections 17207, 17213.1, and California Code of Regulations,
21 title 10, section 1730, and it is in the best interest of the public to revoke the escrow agent’s license
22 of Boardwalk Escrow, Inc.

23 NOW GOOD CAUSE APPEARING THEREFORE, pursuant to California Financial Code
24 section 17608, the escrow agent’s license issued to Boardwalk Escrow, Inc. is hereby revoked. This
25 order is effective as of the date hereof.

26 Dated: March 7, 2011
27 Los Angeles, CA

28 PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 2551
)
)
BOARDWALK ESCROW, INC.)
)
a licensee under the Escrow Law)
)

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT
TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: BOARDWALK ESCROW, INC.
25241 Paseo De Alicia, Suite 225
Laguna Hills, CA 92653

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

BOARDWALK ESCROW, INC. has failed to comply with the bonding requirements of
the Escrow Law (California Financial Code, Section 17202) in that effective November 13, 2010,
Bond No. 100049087 issued by American Contractors Indemnity Company in favor of
BOARDWALK ESCROW, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, BOARDWALK ESCROW, INC. is conducting escrow business
2 in violation of Section 17202 of the Financial Code and is conducting business in an unsafe and
3 injurious manner as to render further operations hazardous to the public or to customers.

4 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
5 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California
6 Financial Code, that BOARDWALK ESCROW, INC. immediately discontinue acceptance of any
7 new escrow or joint control business, and of money, documents or other property in connection
8 therewith.

9 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

10 Section 17415 of the Financial Code provides as follows:

11 (a) If the commissioner, as a result of any examination or from
12 any report made to him or her, shall find that any person subject to this
13 division is in an insolvent condition, is conducting business in such an
14 unsafe or injurious manner as to render further operations hazardous to the
15 public or to customers, has failed to comply with the provisions of Section
16 17212.1 or 17414.1, has permitted its tangible net worth to be lower than
17 the minimum required by law, has failed to maintain its liquid assets in
18 excess of current liabilities as set forth in Section 17210, or has failed to
19 comply with the bonding requirements of Chapter 2 (commencing with
20 Section 17200) of this division, the commissioner may, by an order
21 addressed to and served by registered or certified mail or by personal
22 service on such person and on any other person having in his or her
23 possession or control any escrowed funds, trust funds or other property
24 deposited in escrow with said person, direct discontinuance of the
25 disbursement of trust funds by the parties or any of them, the receipt of
26 trust funds, the delivery or recording of documents received in escrow, or
27 other business operations. No person having in his or her possession any of
28 these funds or documents shall be liable for failure to comply with the
order unless he or she has written notice of the order. Subject to
subdivision (b), the order shall remain in effect until set aside by the
commissioner in whole or in part, the person has been adjudged bankrupt,
or pursuant to Chapter 6 (commencing with Section 17621) of this division
the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of any order pursuant to
Subdivision (a), the person may request a hearing under the Administrative
Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3
or Title 2 of the Government Code. Upon receipt of a request, the matter
shall be set for hearing to commence within 30 days after such receipt
unless the person subject to this division consents to a later date. If no

1 hearing is requested 15 days after the mailing or service of such notice and
2 none is ordered by the commissioner, the failure to request a hearing shall
3 constitute a waiver of the right to a hearing. Neither the request for a
4 hearing nor the hearing itself shall stay the order issued by the
5 commissioner under subdivision (a).

6 Dated: November 15, 2010
7 Los Angeles, California

8 Preston DuFauchard
9 California Corporations Commissioner

10 By _____
11 Kathleen R. Partin
12 Special Administrator
13 (213) 576-7595
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