

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JOHNNY VUONG (CA BAR NO. 249570)  
Corporations Counsel  
4 Department of Corporations  
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5 Los Angeles, California 90013-2344  
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7 Attorneys for Complainant

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

11 In the Matter of THE CALIFORNIA ) File No.: 963-2174  
CORPORATIONS COMMISSIONER, )  
12 )  
Complainant, ) 1) ACCUSATION; and  
13 )  
vs. ) 2) ORDER IMPOSING PENALTIES  
14 ) PURSUANT TO FINANCIAL CODE  
15 ESCROWS UNLIMITED, INC., ) SECTION 17408  
Respondent. )  
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20 The California Corporations Commissioner (“Commissioner”) is informed and believes and  
21 based upon such information and belief, alleges and charges as follows:

22 **I.**

23 Escrows Unlimited, Inc. (“EU”) is an escrow agent licensed by the Commissioner pursuant  
24 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.), with  
25 its principal place of business at 11823 E. Slauson Ave., Suite # 3, Santa Fe Springs, CA 90670.

26 **II.**

27 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to  
28 file an annual audit report containing audited financial statements (“Annual Report”) within one

1 hundred and five (105) days after the close of their fiscal year. EU's fiscal year end was July 31,  
2 2010. Accordingly, EU was required to file its Annual Report on or before November 15, 2010.

3 On or about June 7, 2010, the Commissioner provided advance notice to EU in writing that  
4 its 2010 Annual Report would be due on November 15, 2010. EU was notified in the June 7, 2010  
5 letter that failure to file the Annual Report by the deadline could result in assessment of penalties, a  
6 special examination and/or administrative action. EU failed to file the 2010 Annual Report by  
7 November 15, 2010.

8 On or about November 29, 2010, a 10-day demand letter was sent by certified mail to EU  
9 concerning its failure to file the 2010 Annual Report. The Commissioner demanded in the letter that  
10 EU file its 2010 Annual Report within 10 days of November 29, 2010, or the Commissioner would  
11 assess penalties for each day the report is late, in addition to possibly conducting a special  
12 examination and/or taking administrative action. As of the date of this Accusation and Order, EU has  
13 still not filed its 2010 Annual Report as required by Financial Code section 17406.

14 **III.**

15 Financial Code section 17602.5 provides in pertinent part:

16 If any licensed escrow agent fails to make any reports required by law  
17 or by the commissioner within ten (10) days from the date designated  
18 for the making of the reports, or within any extension of time granted  
19 by the commissioner, . . . such failure shall constitute grounds for  
the suspension or revocation of the license held by such escrow agent.

20 Financial Code section 17608 provides in pertinent part:

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

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

25 Financial Code section 17408 provides in pertinent part:

26 (b) The commissioner may, impose, by order, a penalty on any  
27 person who fails, within the time specified in any written demand of  
28 the commissioner, (1) to make and file with the commissioner any  
report required by law or requested by the commissioner, or (2) to

1 furnish any material information required by the commissioner to be  
2 included in the report. The amount of the penalty may not exceed one  
3 hundred dollars (\$100) for each day for the first five days the report  
4 or information is overdue and, thereafter, may not exceed five  
5 hundred dollars (\$500) for each day the report or information is  
6 overdue.

7 (c) If, after an order has been made under subdivision (b), a  
8 request for hearing is filed in writing within 30 days of the date of  
9 service of the order by the person to whom the order was directed, a  
10 hearing shall be held in accordance with the Administrative  
11 Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1  
12 of Division 3 of Title 2 of the Government Code, and the  
13 commissioner shall have all the powers granted under that chapter.

14 (d) If the person fails to file a written request for a hearing within  
15 30 days of the date of service of the order, the order imposing the  
16 penalty shall be deemed a final order of the commissioner, and the  
17 penalty shall be paid within five business days.

18 (e) If a hearing is requested, the penalty shall be paid within five  
19 business days after the effective date of any decision in the case  
20 ordering payment to be paid.

21 **IV.**

22 **PRAYER FOR ORDER SUSPENDING ESCROWS UNLIMITED, INC.'S LICENSE**  
23 **PURSUANT TO FINANCIAL CODE SECTION 17608**

24 The Commissioner finds that, by reason of the foregoing, Escrows Unlimited, Inc. has  
25 violated Financial Code section 17406, which constitutes grounds for the suspension of its escrow  
26 agent's license under Financial Code section 17602.5.

27 **WHEREFORE, IT IS PRAYED** that Escrows Unlimited, Inc.'s escrow agent's license be  
28 suspended, pursuant to Financial Code section 17608, for period of one month or until the 2010  
Annual Report is filed, whichever is greater.

**V.**

**ORDER IMPOSING PENALTIES PURSUANT TO FINANCIAL CODE SECTION 17408**

The Commissioner finds that Escrows Unlimited, Inc. failed to file its 2010 Annual Report,  
as required by Financial Code section 17406, which are grounds for penalties under Financial Code  
section 17408.

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**WHEREFORE, IT IS ORDERED** that Escrows Unlimited, Inc. pay to the Commissioner, \$50 in penalties for the first five days that the 2010 Annual Report was not submitted by the demand date and \$250 per day thereafter until the 2010 Annual Report is filed, the sum of which is \$11,250 as of the date of this Accusation and Order.

Dated: January 26, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner

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California Corporations Commissioner  
2 ALAN S. WEINGER  
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9 **BEFORE THE DEPARTMENT OF CORPORATIONS**  
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of THE CALIFORNIA ) File No.: 963-2174  
CORPORATIONS COMMISSIONER, )  
12 )  
Complainant, )  
13 ) SETTLEMENT AGREEMENT ON PAYMENT  
vs. ) OF PENALTIES  
14 )  
15 ESCROWS UNLIMITED, INC., )  
Respondent. )  
16 )  
\_\_\_\_\_ )

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19 This Agreement (“Agreement”) is entered into between Escrows Unlimited, Inc. (“EU”) and  
20 the California Corporations Commissioner (“Commissioner”) with respect to the following facts:

21 **RECITALS**

22 A. Escrows Unlimited, Inc. (“EU”) is an escrow agent licensed by the Commissioner  
23 pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et  
24 seq.), under license number 963-2174, with its principal place of business at 11823 E. Slauson Ave.,  
25 Suite # 29, Santa Fe Springs, CA 90670.

26 B. On February 1, 2011, the Commissioner issued a Notice of Intention to Issue Order  
27 Suspending Escrow Agent’s License (“Notice”) and Accusation for Suspension of Escrow License  
28 and Order Imposing Penalties Pursuant to Financial Code section 17408 (“Accusation”) to EU. EU  
was served with the Notice and Accusation by certified mail on February 2, 1011. Under the Escrow

1 Law, EU was given 30-days after receipt of the Accusation to request a hearing on the Accusation.  
2 EU did not submit a request for a hearing on the Accusation. The time to request a hearing had  
3 expired and the Commissioner’s Order Suspending Escrow Agent’s License (“Suspension Order”)  
4 and Order Imposing Penalties Pursuant to Financial Code section 17408 (“Penalties Order”) was  
5 deemed final under law.

6 C. EU has complied with the Suspension Order by suspending its escrow activities from  
7 August 25, 2011 until September 2, 2011.

8 D. It is the intention and desire of the parties to resolve this matter without the necessity  
9 of other litigation.

10 **TERMS AND CONDITIONS**

11 1. This Agreement is entered into for the purpose of judicial economy and expediency, and  
12 to avoid the time and expense of possible further court proceedings.

13 2. Each of the Parties represents, warrants, and agrees that it has received or been advised to  
14 seek independent legal advice from its attorneys with respect to the advisability of executing this  
15 Agreement.

16 3. EU hereby acknowledges that it had waived its right to a hearing under Financial Code  
17 section 17408 in connection with the Penalties Order, and hereby waives the right to any  
18 reconsideration, appeal, or other right which may be afforded pursuant to the Financial Code, the  
19 California Administrative Procedure Act, the California Code of Civil Procedure or any other  
20 provision of law in connection with this matter.

21 4. EU hereby agrees to pay to the Commissioner ten-thousand dollars (\$10,000) in penalty  
22 payments pursuant to the Penalties Order. The first penalty payment in the amount of three-thousand  
23 three-hundred thirty-three dollars and thirty-three cents (\$3,333.33) is due on or before November  
24 30, 2011. The second penalty payment in the amount of three-thousand three-hundred thirty-three  
25 dollars and thirty-three cents (\$3,333.33) is due on or before February 29, 2012. The third and final  
26 penalty payment in the amount of three-thousand three-hundred thirty-three dollars and thirty-four  
27 cents (\$3,333.34) is due on or before May 31, 2012. If at anytime, either the first, second, or third  
28 penalty payment is not received by the date specified, the entire remaining balance of penalty

1 payments shall become immediately due. Failure to pay the first, second, or third penalty payments  
2 by their specified dates or the remaining balance of penalty payments, if the penalty payments are  
3 not received by the date specified, shall be a breach of this Agreement and shall be cause for the  
4 Commissioner to revoke or deny, respectively, any Department of Corporations license or any  
5 pending application of EU and any company owned or controlled by EU, its successors and assigns,  
6 by whatever names they might be known. EU waives any notice and hearing rights to contest such  
7 revocations or denials, which may be afforded under the Financial Code, the Administrative  
8 Procedure Act, the Code of Civil Procedure, or any other legal provisions. EU’s penalty payments  
9 shall be payable to the California Department of Corporations and delivered to the Department of  
10 Corporations’ Los Angeles Office to the attention of the Complainant’s Enforcement counsel,  
11 Johnny Vuong.

12         5. This Agreement is the final written expression and the complete and exclusive statement  
13 of all the agreements, conditions, promises, representations, and covenants between the parties with  
14 respect to the subject matter hereof, and supercedes all prior or contemporaneous agreements,  
15 negotiations, representations, understandings, and discussions between and among the parties, their  
16 respective representatives, and any other person or entity.

17         6. Notwithstanding any other provision contained herein, nothing in this Agreement shall  
18 operate to limit the Commissioner’s ability to investigate and prosecute violations of the California  
19 Escrow Law not addressed herein, or to assist any other agency (county, state or federal) with any  
20 prosecution, administrative, civil or criminal, brought by such agency against EU.

21         7. In that the parties have had the opportunity to draft, review and edit the language of this  
22 Agreement, no presumption for or against any party arising out of drafting all or any part of this  
23 Agreement will be applied in any action relating to or arising out of this Agreement. Accordingly,  
24 the parties hereby waive the benefit of California Civil Code section 1654 and any successor statute.

25         8. The waiver of any provision of this Agreement shall not operate to waive any other  
26 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement  
27 must be in writing signed by the parties hereto.  
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9. Each signatory hereto covenants that they possess all necessary capacity and authority to sign and enter into this Agreement. Each signatory warrants and represents that such signatory is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each signatory warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

10. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document. A fax signature shall be deemed the same as an original signature.

Dated: 10/24/2011 California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner  
Enforcement Division

Dated: 10/10/2011 Escrows Unlimited, Inc.

By \_\_\_\_\_  
Yvette Coquelet  
Vice President