

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 Department of Corporations
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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) File No.: 963-2162
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION IN SUPPORT OF
13 Complainant,) REVOCATION OF CALIFORNIA ESCROW
14 vs.) AGENT’S LICENSE
15)
16 SOLID SOURCE ESCROW, INC.)
17 Respondent.)

18
19 The Complainant is informed and believes and based upon such information and belief,
20 alleges and charges as follows:

21 I

22 Solid Source Escrow, Inc. (“Respondent”) is an escrow agent licensed by the California
23 Corporations Commissioner ("Commissioner" or "Complainant") of the Department of Corporations
24 (“Department”) pursuant to the Escrow Law of the State of California (California Financial Code
25 Section 17000 *et seq.*).

26 II

27 The Commissioner received a letter from Respondent on September 17, 2007, informing that
28 it wished to surrender its California escrow agent’s license.

1 On October 11, 2007, the Commissioner sent a certified letter to Respondent, which was
2 returned unclaimed. This letter notified Respondent that, as a condition of license surrender
3 pursuant to Financial Code section 17600, subdivision (b), the licensee is required to engage a
4 certified public accountant to conduct a closing audit of the licensee’s records (“closing audit report”)
5 and report findings of compliance with the Escrow Law to the Commissioner within 105 days from
6 the date of the application to surrender the license. To date, the Commissioner has not received the
7 closing audit report from Respondent.

8 Pursuant to California Financial Code section 17202, all licensees must maintain a surety
9 bond in the minimum amount of 25,000.00. On April 27, 2007, International Fidelity Insurance
10 Company notified the Commissioner that it had elected to cancel the surety bond of Solid Source
11 Escrow, Inc. in its entirety. On May 22, 2007, the Commissioner notified Respondent in writing that
12 its surety bond would cancel on May 30, 2007, and requested Respondent to provide proof of bond
13 replacement or reinstatement. Respondent failed to provide proof of bond replacement or
14 reinstatement.

III

16 Financial Code section 17600, subdivision (b), provides as follows:

17 A licensee that ceases to engage in the business regulated by this division and desires
18 to no longer be licensed shall notify the commissioner in writing and, at that time,
19 tender the license and all other indicia of licensure to the commissioner. Within 105
20 days of the written notice to the commissioner, the licensee shall submit to the
21 commissioner, at its own expense, a closing audit report as of the date the license is
22 tendered to the commissioner for surrender, or for another period as the commissioner
23 may specify, to be performed by an independent certified public accountant. The
24 closing audit shall include, but not be limited to, information required by the
25 commissioner, a bank reconciliation of the trust account, and a verified statement
26 from a certified public accountant confirming lawful disbursement of funds. A license
27 is not surrendered until the commissioner has reviewed and accepted the closing audit
28 report, a determination has been made by the commissioner that acceptance of the
surrender is in the public interest, and tender of the license is accepted in writing by
the commissioner.

26 Financial Code section 17602.5 provides in pertinent part as follows:

27 If any licensed escrow agent fails to make any reports required by law
28 or by the commissioner within ten (10) days from the date designated
for the making of the reports, or within any extension of time granted

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by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

Financial Code section 17608 provides in pertinent part:

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

(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.

IV

Complainant finds that, by reason of the foregoing, Respondent Solid Source Escrow, Inc. has violated Financial Code sections 17202 and 17600, and it is in the best interests of the public to revoke Respondent’s escrow agent’s license pursuant to Financial Code section 17608.

WHEREFORE, IT IS PRAYED that the California escrow agent’s license of Respondent Solid Source Escrow, Inc. be revoked.

Dated: December 1, 2011
Los Angeles, CA

California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

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California Corporations Commissioner
2 ALAN S. WEINGER
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5 Attorneys for Complainant

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

10 In the Matter of THE CALIFORNIA)	File No.: 963-2162
11 CORPORATIONS COMMISSIONER,)	
12 Complainant,)	ORDER REVOKING ESCROW AGENT'S
)	LICENSE
13 v.)	
)	
14 SOLID SOURCE ESCROW, INC.,)	
15 Respondent.)	
)	
)	

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18 The California Corporations Commissioner (“Commissioner”) issued a Notice of Intention to
19 Issue Order Revoking Escrow Agent’s License and Accusation for the revocation of the escrow
20 agent’s license issued to Solid Source Escrow, Inc. on December 1, 2011 (“Accusation”) pursuant to
21 Financial Code section 17608 of the California Escrow Law (“Escrow Law”) (Fin. Code, §§ 17000 et
22 seq.). The Accusation is incorporated herein by reference. The Commissioner has not received a
23 hearing request from the Respondent, and the time to request a hearing on the Accusation has now
24 expired.

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NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent's license issued to Solid Source Escrow, Inc. is revoked. This order is effective as of the date hereof.

DATED: December 19, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division