

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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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.: 963-2085
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION IN SUPPORT OF
13 Complainant,) REVOCATION OF CALIFORNIA ESCROW
14 vs.) AGENT’S LICENSE
15 ARS RESIDENTIAL ESCROW, INC.,)
16 Respondent.)
17)

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

21 I

22 ARS Residential 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 April 7, 2008, informing that
28 Respondent wished to surrender its California escrow agent’s license.

1 On April 8, 2008, the Commissioner sent a certified letter to Respondent, which was received
2 on April 10, 2008. This letter notified Respondent that, as a condition of license surrender pursuant
3 to Financial Code section 17600, subdivision (b), the licensee is required to engage a certified public
4 account to conduct a closing audit of the licensee’s records (“closing audit report”) and report
5 findings of compliance with the Escrow Law to the Commissioner within 105 days from the date of
6 the application to surrender the license.

7 Pursuant to Financial Code section 17600, subdivision (b), the Respondent’s closing audit
8 report was due 105 days from the date of application to surrender its escrow agent’s license, which
9 was July 23, 2008.

10 To date, the Commissioner has not received the closing audit report from Respondent.

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12 III

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

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

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

If any licensed escrow agent fails to make any reports required by law
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
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:

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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 ARS Residential Escrow, Inc. has violated Financial Code section 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 ARS Residential Escrow, Inc. be revoked.

Dated: December 1, 2011
Los Angeles, CA

California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

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

10	In the Matter of THE CALIFORNIA)	File No.: 963-2085
	CORPORATIONS COMMISSIONER,)	
11)	ORDER REVOKING ESCROW AGENT'S
	Complainant,)	LICENSE
12)	
13	v.)	
14	ARS RESIDENTIAL ESCROW, INC.,)	
15)	
16	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 ARS Residential Escrow, Inc. on December 1, 2011(“Accusation”) pursuant
21 to Financial Code section 17608 of the California Escrow Law (“Escrow Law”) (Fin. Code, §§ 17000
22 et 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 Gemini Escrow Services, 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