

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Deputy Commissioner
3 JOYCE TSAI (CA BAR NO. 241908)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Suite 2034
5 San Diego, CA 92101
Telephone: (619) 525-4043 Fax: (619) 525-4045

6 Attorneys for Complainant
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 CALIFORNIA CORPORATIONS) OAH Case No. 2009120305
12 COMMISSIONER,)
13 Complainant,) SUSPENSION ORDER
14 vs.)
15 AMERICAN LIBERTY ESCROW, INC.,)
16 Respondent.)
17)
18)

19 Pursuant to the Settlement Agreement entered into between the California Corporations
20 Commissioner (“Commissioner”) and American Liberty Escrow, Inc. (“American Liberty Escrow”) on
21 March 23, 2010, attached and incorporated herein as Exhibit 1, it is hereby ordered that the
22 escrow agent’s license issued to American Liberty Escrow is suspended for two periods of seven (7)
23 calendar days each, during which period American Liberty Escrow shall not accept any new escrow
24 business, but may continue to service prior and open escrows, in accordance with Financial Code
25 section 17609. The two suspension periods shall take place from April 5, 2010 through April 11,
26 2010, and from May 3, 2010 through May 9, 2010.

27 It is further ordered that American Liberty Escrow shall file with the Department of
28 Corporations (“Department”) at the close of business on April 4, 2010, and on May 2, 2010, a list of

1 all open escrows with escrow numbers and escrow party names along with a copy of the signed
2 escrow instructions and signed deposit receipt(s) for the last opened escrow, signed by the president
3 of American Liberty Escrow under penalty of perjury. Open escrow means an escrow wherein the
4 parties to such escrow have already entered into a binding agreement and monies and/or escrow
5 instructions have been submitted to American Liberty Escrow regarding the transaction.
6 Additionally, American Liberty Escrow is ordered to immediately engage its certified public
7 accountant (“CPA”) firm to review the records of American Liberty Escrow after the suspensions
8 have been completed to determine American Liberty Escrow’s compliance with this Order and
9 report its findings to the Department by June 9, 2010. American Liberty Escrow’s CPA shall file its
10 report with the Department directly. The Commissioner reserves the right to audit American Liberty
11 Escrow for compliance with the suspensions notwithstanding the findings of the CPA review.

12 Pursuant to the terms of the Settlement Agreement, American Liberty Escrow admits the
13 following for purposes of this Order and any future proceedings initiated by or brought before the
14 California Corporations Commissioner only:

15 1. American Liberty Escrow is, and was at all relevant times, an escrow agent licensed
16 by the Commissioner pursuant to the Escrow Law of the State of California, California Financial
17 Code section 17000 *et seq.* American Liberty Escrow’s license number is 963-2272. Its principal
18 place of business is located at 18231 Irvine Blvd., #203, Tustin, CA 92780.

19 2. American Liberty Escrow’s fiscal year end is December 31. Pursuant to California
20 Financial Code section 17406, subdivision (a), American Liberty Escrow’s annual audit reports are
21 due within 105 days after the close of its fiscal year, or April 15.

22 3. On or about November 13, 2007, the Commissioner notified American Liberty
23 Escrow in writing that its 2007 audit report was due April 15, 2008. On or about May 5, 2008, a
24 follow up letter was sent to American Liberty Escrow demanding compliance with the report
25 requirement.

26 4. On or about November 17, 2008, the Commissioner notified American Liberty
27 Escrow in writing that its 2008 audit report was due April 15, 2009. On or about June 26, 2009, a
28 follow up letter was sent to American Liberty Escrow demanding compliance with the report

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requirement.

4. On January 6, 2010, American Liberty Escrow filed its 2007 and 2008 reports with the Commissioner. The 2007 report was received six hundred thirty-one days after the filing deadline, in violation of Financial Code section 17406, subdivision (a). The 2008 report was received two hundred sixty-six days after the filing deadline, in violation of Financial Code section 17406, subdivision (a).

DATED: March 23, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
Alan S. Weinger
Deputy Commissioner