

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 MIRANDA L. MAISON (CA BAR NO. 210082)  
Senior Corporations Counsel  
5 Department of Corporations  
1515 K Street, Ste. 200  
6 Sacramento, California 95814  
Telephone: (916) 322-8730 Fax: (916) 445-6985

7 Attorneys for Complainant  
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of the Accusation of THE ) File No.: 963-2199  
CALIFORNIA CORPORATIONS )  
13 COMMISSIONER, ) ORDER IMPOSING PENALTIES PURSUANT  
14 ) TO CALIFORNIA FINANCIAL CODE  
Complainant, ) SECTION 17408  
15 )  
16 vs. )  
17 BEACHWOOD ESCROW (Formerly Advance )  
Express Escrow), )  
18 )  
19 Respondent. )

20 TO: BEACHWOOD ESCROW (Formerly Advance Express Escrow)  
21 1509 W. Magnolia Blvd.  
22 Burbank, California 91506

23 NOW THEREFORE, the California Corporations Commissioner (“Commissioner”) having  
24 found that Beachwood Escrow (formerly Advance Express Escrow) failed to timely file its annual  
25 audit report containing audited financial statements for its fiscal year ended December 31, 2006, as  
26 required by Financial Code section 17406, Beachwood Escrow is hereby ordered, pursuant to  
27 Financial Code section 17408, to pay to the Commissioner penalties in the sum of \$30,300.00.

28 Pursuant to Financial Code section 17406, Beachwood Escrow (“Beachwood”) was required  
to submit its annual audit report for the fiscal year ended December 31, 2006 (“2006 audit report”) to

1 the Commissioner on or before April 15, 2007.

2 On or about June 14, 2006, the Commissioner notified Beachwood in writing that its 2006  
3 audit report was due on April 15, 2007. The Commissioner’s letter informed Beachwood that failure  
4 to timely file the 2006 audit report could result in assessment of penalties, a special examination  
5 and/or administrative action. Beachwood failed to timely file its 2006 audit report by April 15,  
6 2007.

7 Beachwood’s 2006 audit report was not received by the Department of Corporations until  
8 February 14, 2008, which was 303 days after it was due. Pursuant to the filing requirement set forth  
9 in Financial Code section 17406, the Commissioner is authorized to assess a penalty of \$100.00 for  
10 each of the first five days the audit report was overdue and a penalty of \$500.00 for each day  
11 thereafter.

12 Financial Code Section 17408, subdivisions (b) through (e), provides as follows:

13 (b) The commissioner may impose, by order, a penalty on any person  
14 who fails, within the time specified in any written demand of the  
15 commissioner, (1) to make and file with the commissioner any report  
16 required by law or requested by the commissioner. . . . The amount of the  
17 penalty shall be one hundred dollars (\$100) for each day for the first five  
18 days the report or information is overdue and, thereafter, five hundred dollars  
19 (\$500) for each day the report or information is overdue.

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

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

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

WHEREFORE, Beachwood’s 2006 audit report was 303 days late, the Commissioner is  
hereby imposing a penalty of \$100.00 for each of the 303 days the report was overdue, for penalties  
totaling \$30,300.00.

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Dated: March 28, 2008  
Sacramento, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger, Lead Corporations Counsel

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 MIRANDA L. MAISON (CA BAR NO. 210082)  
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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) File No.: 963-2199  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) SETTLEMENT AGREEMENT  
13 )  
Complainant, )  
14 )  
15 vs. )  
16 BEACHWOOD ESCROW (Formerly Advance )  
Express Escrow), )  
17 )  
18 Respondent. )

19 This Settlement Agreement is entered into between a Beachwood (formerly Advance Express  
20 Escrow) and the California Corporations Commissioner ("Commissioner"), and is made with respect  
21 to the following facts:

22 **RECITALS**

23 A. Beachwood Escrow is a corporation in good standing, duly formed and existing  
24 pursuant to the laws of the State of California, and authorized to conduct business in the State of  
25 California.

26 B. Beachwood Escrow currently holds escrow agent’s license number 963-2199 with its  
27 principal place of business located at 1509 W. Magnolia Blvd., Burbank, California 91506.  
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1 C. Sally Borboa is the president of Beachwood Escrow and is authorized to enter into  
2 this Settlement Agreement on behalf of Beachwood Escrow.

3 D. Beachwood Escrow failed to timely file its 2006 Audit Report with the  
4 Commissioner, in violation of Financial Code section 17406. The 2006 Audit Report was due on  
5 April 15, 2007 but was not filed until February 14, 2008.

6 E. On March 28, 2008, the Commissioner issued an Order Imposing Penalties Pursuant  
7 to Financial Code Section 17408 (“Penalty Order”) against Beachwood Escrow. The Commissioner  
8 ordered Beachwood Escrow to pay penalties in the sum of \$30,300.00, reflecting a penalty of  
9 \$100.00 for each of the 303 days the report was late.

10 F. Beachwood Escrow timely requested an administrative hearing, which was noticed  
11 for July 3, 2008.

12 G. It is the intention and desire of the parties to resolve these matters without the  
13 necessity of a hearing and/or other litigation.

14 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
15 forth herein, the parties agree as follows:

16 **TERMS AND CONDITIONS**

17 1. This Settlement Agreement is entered into for the purpose of judicial economy and  
18 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

19 2. Beachwood Escrow hereby admits the allegations contained in the Penalty Order.  
20 Beachwood Escrow’s admissions herein are solely for the limited purposes of this proceeding and  
21 any future proceeding that may be initiated by or brought before the Commissioner against  
22 Beachwood Escrow. It is the intent and understanding between the parties that this Settlement  
23 Agreement, and particularly Beachwood Escrow’s admissions herein, shall not be binding or  
24 admissible against Beachwood Escrow in any action(s) brought against Beachwood Escrow by third  
25 parties.

26 3. Beachwood Escrow agrees that the penalties accrued for the untimely filing of its  
27 2006 Audit Report totaled \$30,300.00 as of February 14, 2008, the date it was filed. As full and  
28 final resolution of the Penalty Order, Beachwood Escrow agrees to pay to the Commissioner the sum

1 of \$10,000.00. The penalty shall be paid in three installments. The first installment of \$3,333.33  
2 shall be due on July 15, 2008. The second installment of \$3,333.33 shall be due on August 15, 2008.  
3 And, the third and final installment of \$3,333.34 shall be due on September 15, 2008. Each payment  
4 shall be mailed to the Commissioner’s corporations counsel, Miranda L. Maison, at 1515 K Street,  
5 Suite 200, Sacramento, CA 95814.

6 4. Beachwood Escrow further agrees to an automatic revocation of its escrow agent’s  
7 license if any installment payment agreed to in Paragraph 3 is not timely paid in strict compliance  
8 with the terms thereof.

9 5. Beachwood Escrow acknowledges it has waived its right to an administrative hearing  
10 under California Financial Code sections 17608 and 17408 in connection with the Penalty Order,  
11 and hereby waives its right to a hearing, and to any reconsideration, appeal, or other rights which  
12 may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act, the  
13 California Code of Civil Procedure, or any other provision of law in connection with these matters.

14 6. Beachwood Escrow acknowledges and agrees that the revocation provided for above  
15 in paragraph 4 shall not be the exclusive remedy available to the Commissioner in pursuing future  
16 violations but may be sought and employed in addition to any other remedy available pursuant to the  
17 Escrow Law.

18 7. Beachwood Escrow hereby agrees to the immediate issuance by the Commissioner of  
19 an order suspending Beachwood Escrow’s escrow agent’s license for a period of 14 calendar days  
20 (“Suspension Order”). The 14-day suspension shall be in effect from July 27, 2008 through August  
21 3, 2008, and from August 24, 2008 through August 31, 2008, during which periods Beachwood  
22 Escrow shall not accept any new escrow business, but may continue to service prior and open  
23 escrows, in accordance with California Financial Code section 17609. For purposes of this  
24 Settlement Agreement, “open escrow” shall mean an escrow wherein the parties to such escrow have  
25 already entered into a binding agreement and monies and/or escrow instructions have been submitted  
26 to Beachwood Escrow regarding the transaction.

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1           This suspension does not preclude Beachwood Escrow from: (1) continuing to service prior  
2 and open escrows; (2) responding to regulatory inquiries from the Department of Corporations or  
3 other agencies; (3) making the penalty payment described in this Settlement Agreement; and, (4)  
4 otherwise responding to customer inquiries concerning open escrows.

5           Additionally, Beachwood Escrow will be required to engage its certified public accounting  
6 firm to review the records of Beachwood Escrow after the suspension has been completed and report  
7 its findings of compliance with the suspension to the Commissioner within 30 days of completion of  
8 the suspension. The Commissioner reserves the right to audit Beachwood Escrow for compliance  
9 with the suspension notwithstanding the findings of the certified public accountant’s review. A copy  
10 of the Suspension Order is attached and incorporated as Exhibit A.

11           8.       The parties hereby acknowledge and agree that this Settlement Agreement is intended  
12 to constitute a full, final and complete resolution of the Penalty Order. The parties further  
13 acknowledge and agree that nothing contained in this Settlement Agreement shall operate to limit the  
14 Commissioner's ability to assist any other agency (county, state or federal) with any prosecution,  
15 administrative, civil or criminal, brought by any such agency against Beachwood Escrow based upon  
16 any of the activities alleged in these matters or otherwise.

17           9.       Each of the parties represents, warrants, and agrees that it has received, or  
18 acknowledges the right to seek, independent legal advice from its attorney(s) with respect to the  
19 advisability of executing this Settlement Agreement.

20           10.      Each of the parties represents, warrants, and agrees that in executing this Settlement  
21 Agreement it has relied solely on the statements set forth herein and, if applicable, the advice of its  
22 own counsel. Each of the parties further represents, warrants, and agrees that in executing this  
23 Settlement Agreement it has placed no reliance on any statement, representation, or promise of any  
24 other party, or any other person or entity not expressly set forth herein, or upon the failure of any  
25 party or any other person or entity to make any statement, representation or disclosure of anything  
26 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in  
27 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the  
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1 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
2 Settlement Agreement.

3 11. This Settlement Agreement is the final written expression and the complete and  
4 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
5 between the Parties with respect to the subject matter hereof, and supercedes all prior or  
6 contemporaneous agreements, negotiations, representations, understandings, and discussions  
7 between and among the parties, their respective representatives, and any other person or entity, with  
8 respect to the subject matter covered hereby.

9 12. In that the parties have had the opportunity to draft, review and edit the language of  
10 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any  
11 part of this Settlement Agreement will be applied in any action relating to, connected to, or involving  
12 this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil Code  
13 section 1654 and any successor or amended statute providing that, in cases of uncertainty, language  
14 of a contract should be interpreted most strongly against the party who caused the uncertainty to  
15 exist.

16 13. This Settlement Agreement may be executed in one or more counterparts, each of  
17 which shall be an original but all of which, together, shall be deemed to constitute a single  
18 document.

19 14. Each signatory hereto covenants that he/she possesses all necessary capacity and  
20 authority to sign and enter into this Settlement Agreement.

21 Dated: 7/8/08

PRESTON DuFAUCHARD  
California Corporations Commissioner

23 By \_\_\_\_\_  
24 ALAN S. WEINGER  
25 Acting Deputy Commissioner

26 Dated: 7/8/08

BEACHWOOD ESCROW

27 By \_\_\_\_\_  
28 SALLY BORBOA  
President

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

10  
11 In the Matter of the Accusation of THE ) Case No.: 963-2199  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, )  
13 ) SUSPENSION ORDER  
Complainant, )  
14 )  
15 vs. )  
16 BEACHWOOD ESCROW (Formerly Advance )  
Express Escrow), )  
17 )  
18 Respondent. )  
\_\_\_\_\_ )

19  
20 Pursuant to the Settlement Agreement entered into between the California Corporations  
21 Commissioner ("Commissioner") and Beachwood Escrow (formerly known as Advance Express  
22 Escrow) on July 8, 2008, attached and incorporated herein as Exhibit A, it is hereby ordered that the  
23 escrow agent's license issued to Beachwood Escrow is suspended for a period of 14 calendar days.  
24 The suspension shall be in effect from July 27, 2008 through August 3, 2008, and from August 24,  
25 2008 through August 31, 2008, during which periods Beachwood Escrow shall not accept any new  
26 escrow business, but may continue to service prior and open escrows, in accordance with California  
27 Financial Code section 17609. Open escrow shall mean an escrow wherein the parties to such  
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1 escrow have already entered into a binding agreement and monies and/or escrow instructions have  
2 been submitted to Beachwood Escrow regarding the transaction.

3 It is further ordered that after the suspension has been completed, Beachwood Escrow shall  
4 engage its certified public accounting firm to review the records of Beachwood Escrow to determine  
5 Beachwood Escrow’s compliance with this order and report its findings to the Commissioner within  
6 30 days of completion of the suspension.

7  
8 Dated: July 8, 2008  
9 Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

10 By \_\_\_\_\_  
11 ALAN S. WEINGER  
12 Acting Deputy Commissioner  
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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

11	In the Matter of the Accusation of THE	)	File No.: 963-2199
12	CALIFORNIA CORPORATIONS	)	
13	COMMISSIONER,	)	ACCUSATION IN SUPPORT OF:
14	Complainant,	)	1) ORDER REVOKING ESCROW
15	vs.	)	AGENT’S LICENSE PURSUANT TO
16	BEACHWOOD ESCROW (Formerly Advance	)	FINANCIAL CODE SECTION 17608
17	Express Escrow),	)	2) ORDER IMPOSING PENALTIES
18	Respondent.	)	PURSUANT TO FINANCIAL CODE
19		)	SECTION 17408
20		)	3) ORDER ASSESSING COSTS
21		)	PURSUANT TO FINANCIAL CODE
22		)	SECTION 17405.1

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

24 I

25 Beachwood Escrow (formerly Advance Express Escrow) (“Respondent” or “Beachwood”) is  
26 an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or  
27 "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code  
28 Section 17000 et seq.).

## II

Pursuant to Financial Code section 17406, every licensee under the Escrow Law is required to file an annual report containing audited financial statements (“audit report”) within 105 days after the close of its fiscal year. Respondent’s fiscal year end is December 31.

On or about June 14, 2006, the Commissioner notified Respondent in writing that its 2006 audit report for the year ending December 31, 2006 was due on April 15, 2007. Respondent was notified in the letter that failure to file to the 2006 audit report could result in assessment of penalties, a special examination, and/or administrative action. Respondent did not file the audit report required by Financial Code section 17406 until February 14, 2008, which was 304 days after it was due.

On or about March 27, 2008, the Commissioner filed an Accusation in Support of Suspension of Respondent’s escrow license due to failure to timely file its 2006 audit report in compliance with Financial Code section 17406.

On or about July 8, 2008, Respondent entered into an agreement with the Commissioner whereby Respondent agreed to pay \$10,000 in penalties and stipulate to a 14-day license suspension during the period of July 27, 2008 through August 3, 2008 and from August 24, 2008 through August 31, 2008

On or about November 17, 2008, the Commissioner notified Respondent in writing that its annual audit report for the year ending December 31, 2008 was due on April 15, 2009, in accordance with Financial Code section 17406. On June 26, 2009, a 10-Day Demand Letter was sent to Respondent via certified mail informing that failure to file to the 2008 audit report could result in assessment of penalties, a special examination, and/or administrative action. To date, Respondent has failed to file its 2008 audit report, as required by Financial Code section 17406. Pursuant to the filing requirement set forth in Financial Code section 17408, a penalty of \$50 shall be assessed for each of the first five days that Respondent’s 2008 audit report was overdue and a penalty of \$250 for each day thereafter, totaling \$204,000.00 to date, and continuing to accrue until received.

On or about November 2, 2009, the Commissioner notified Respondent in writing that its annual audit report for the year ending December 31, 2009 was due on April 15, 2010, in accordance

1 with Financial Code section 17406. On May 18, 2010, a 10-Day Demand Letter was sent to  
2 Respondent via certified mail informing that failure to file to the 2009 audit report could result in  
3 assessment of penalties, a special examination, and/or administrative action. To date, Respondent  
4 has failed to file the 2009 audit report, as required by Financial Code section 17406. Pursuant to the  
5 filing requirement set forth in Financial Code section 17408, a penalty of \$50 shall be assessed for  
6 each of the first five days that Respondent's 2009 audit report was overdue and a penalty of \$250 for  
7 each day thereafter, totaling \$112,750.00 to date, and continuing to accrue until received.

8 On or about November 15, 2010, the Commissioner notified Respondent in writing that its  
9 annual audit report for the year ending December 31, 2010 was due on April 15, 2010, in accordance  
10 with Financial Code section 17406. To date, Respondent has failed to file the 2010 audit report, as  
11 required by Financial Code section 17406. Pursuant to the filing requirement set forth in Financial  
12 Code section 17408, a penalty of \$50 shall be assessed for each of the first five days that  
13 Respondent's 2010 audit report was overdue and a penalty of \$250 for each day thereafter, totaling  
14 \$21,500.00 to date, and continuing to accrue until received.

15 On or about January 14, 2011, the Respondent submitted to the Commissioner an application  
16 to surrender its escrow agent's license.

17 On January 28, 2011, the Commissioner sent a certified letter to Respondent, which was  
18 received on January 29, 2011. This letter notified Respondent that, as a condition of license  
19 surrender pursuant to Financial Code section 17600, subdivision (b), the licensee is required to  
20 engage a certified public account to conduct a closing audit of the licensee's records ("closing audit  
21 report") and report findings of compliance with the Escrow Law to the Commissioner within 105  
22 days from the date of the application to surrender the license.

23 Pursuant to Financial Code section 17600, subdivision (b), the Respondent's closing audit  
24 report was due 105 days from the date of the January 14, 2011 application to surrender, which was  
25 April 29, 2011. To date, the closing audit report has not been received by the Commissioner.

26 Additionally, Respondent owes a balance of \$8,672.02 to the Commissioner for unpaid costs  
27 incurred in connection with the regulatory inspection and examination of the licensee conducted by  
28

1 the Commissioner’s examiner on April 17, 2009 (invoice number 48351) pursuant to Financial Code  
2 section 17405.1.

3 III

4 Financial Code Section 17408, subdivisions (b) through (e), provides as follows:

5 (b) The commissioner may impose, by order, a penalty on any person  
6 who fails, within the time specified in any written demand of the  
7 commissioner, (1) to make and file with the commissioner any report  
8 required by law or requested by the commissioner. . . . The amount of the  
9 penalty shall be one hundred dollars (\$100) for each day for the first five  
10 days the report or information is overdue and, thereafter, five hundred dollars  
11 (\$500) for each day the report or information is overdue.

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

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

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

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

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

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

A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall notify the commissioner in writing and, at that time, tender the license and all other indicia of licensure to the commissioner. Within 105 days of the written notice to the commissioner, the licensee shall submit to the commissioner, at its own expense, a closing audit report as of the date the license is tendered to the commissioner for surrender, or for another period as the commissioner may specify, to be performed by an independent certified public accountant. The

1 closing audit shall include, but not be limited to, information required by the  
2 commissioner, a bank reconciliation of the trust account, and a verified statement  
3 from a certified public accountant confirming lawful disbursement of funds. A license  
4 is not surrendered until the commissioner has reviewed and accepted the closing audit  
5 report, a determination has been made by the commissioner that acceptance of the  
6 surrender is in the public interest, and tender of the license is accepted in writing by  
7 the commissioner.

8 Financial Code section 17405.1 provides in pertinent part as follows:

9 The cost of every inspection and examination of a licensee or other person subject to  
10 this division shall be paid to the commissioner by the licensee or person examined,  
11 and the commissioner may maintain an action for the recovery of these costs in any  
12 court of competent jurisdiction. . . .

13 Financial Code section 17608 provides in pertinent part:

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

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

19 IV

20 Complainant finds that, by reason of the foregoing, Respondent Beachwood Escrow  
21 (formerly Advance Express Escrow) has failed to comply with Financial Code sections 17405.1.,  
22 17406 and 17600, and it is in the best interests of the public to revoke the escrow agent's license of  
23 Respondent pursuant to Financial Code sections 17602.5 and 17608.

24 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent's license be revoked.

25 Additionally, IT IS HEREBY ORDERED that Respondent pay the following penalties and  
26 costs to the Commissioner as follows:

- 27 (1) A penalty in the sum of \$204,000.00 for the 819 days the 2008 audit report is late  
28 pursuant to Financial Code section 17408;
- (2) A penalty in the sum of \$112,750.00 for the 454 days the 2009 audit report is late  
pursuant to Financial Code section 17408;
- (3) A penalty in the sum of \$21,500.00 for the 89 days the 2010 audit report is late pursuant  
to Financial Code section 17408;

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- (4) Additional penalties of \$250.00 per day accruing hereafter for each report that remains unfiled pursuant to Financial Code section 17408; and,
- (5) Costs in the amount of \$8,672.02 incurred in connection with the April 17, 2009 regulatory examination of Respondent pursuant to Financial Code section 17405.1.

Dated: July 14, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 MIRANDA LEKANDER (SBN 210082)  
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11 COMMISSIONER, ) ORDER REVOKING CALIFORNIA ESCROW  
12 ) AGENT’S LICENSE PURSUANT TO  
Complainant, ) CALIFORNIA FINANCIAL CODE SECTION  
13 ) 17608  
14 vs. )  
15 BEACHWOOD ESCROW (formerly Advance )  
Express Escrow), )  
16 )  
17 Respondent. )

18 Complainant Preston DuFuchard, in his capacity as the California Corporations  
19 Commissioner ("Commissioner" or "Complainant"), finds as follows:

- 20 1. Beachwood Escrow (formerly Advance Express Escrow) (“Respondent” or “Beachwood  
21 Escrow”) is an escrow agent licensed pursuant to the Escrow Law of the State of California  
22 (California Financial Code sections 17000 *et seq.*) with its principal place of business located at  
23 1509 W. Magnolia Boulevard, Burbank, California, 91506.
- 24 2. On or about January 14, 2011, the Commissioner received a letter from Respondent  
25 informing that it wished to surrender its California escrow agent’s license and cease escrow business  
26 operations.
- 27 3. On January 28, 2011, the Commissioner sent a certified letter to Respondent, which was  
28 received on January 29, 2011. This letter notified Respondent that, as a condition of license

1 surrender pursuant to Financial Code section 17600, subdivision (b), the licensee is required to  
2 engage a certified public accountant to conduct a closing audit of the licensee’s records (“closing  
3 audit report”) and report findings of compliance with the Escrow Law to the Commissioner within  
4 105 days from the date of the application to surrender the license.

5 4. Pursuant to Financial Code section 17600, subdivision (b), the Respondent’s closing audit  
6 report was due 105 days from the date of the January 14, 2011 application to surrender its escrow  
7 agent’s license, which was April 29, 2011. To date, Respondent has not submitted its closing audit  
8 report to the Commissioner.

9 5. On July 14, 2011, the Commissioner issued against Respondent an Accusation in Support of  
10 Revocation of California Escrow Agent’s License, Notice of Intention to Issue Order Revoking  
11 Escrow Agent’s License, Statement to Respondent, Notice of Defense, and other related documents  
12 (collectively referred to as “the Accusation”).

13 6. On July 22, 2011, the Accusation was served to Respondent’s last address of record filed  
14 with the Commissioner, which was verbally confirmed by the Commissioner’s counsel during a  
15 telephone discussion with Respondent’s president Sally Lucero on July 25, 2011.

16 7. Financial Code section 17608 provides in pertinent part:

17  
18 The commissioner may, after notice and a reasonable opportunity to  
19 be heard, suspend or revoke any license if he finds that:

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

23 8. Over 30 days has passed since Respondent’s receipt of the Accusation, and no hearing  
24 request has been received by the Commissioner.

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NOW GOOD CAUSE APPEARING THEREFORE, pursuant to California Financial Code section 17608, the escrow agent’s license issued to Beachwood Escrow (formerly Advance Express Escrow) is hereby revoked. This order is effective as of the date hereof.

Dated: August 29, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner