

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
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Deputy Commissioner  
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6 Attorneys for Complainant

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

11 CALIFORNIA CORPORATIONS ) File No.: 963-2327  
12 COMMISSIONER, )  
13 Complainant, ) ACCUSATION  
14 vs. )  
15 BLUE MOUNTAIN ESCROW, INC., )  
16 Respondent. )  
17 )  
18 )

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

21 I

22 Blue Mountain Escrow, Inc. (“Respondent” or “Blue Mountain”) is an escrow agent licensed  
23 by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the  
24 Escrow Law, California Financial Code Section 17000 *et seq.* Respondent’s license was issued on  
25 May 22, 2006.

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 (“audit report”) within one

1 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is  
2 December 31. Accordingly, Respondent was required to file its 2008 audit report on or before April  
3 15, 2009.

4 On or about November 17, 2008, Complainant notified Respondent in writing that its audit  
5 report for 2008 would be due April 15, 2009. Respondent failed to file the audit report by April 15,  
6 2009.

7 On or about June 26, 2009, a follow-up letter was sent to Respondent concerning its failure to  
8 file the 2008 audit report. Respondent was notified in the letter that failure to file to the audit report  
9 could result in assessment of penalties, a special examination and/or administrative action.  
10 Respondent received Complainant’s letter, sent by certified mail, on June 30, 2009.

11 Respondent has yet to file the 2008 audit report as required by Financial Code section 17406.

12 III

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

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

18 Financial Code section 17608 provides in pertinent part:

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

21 ...

22 (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.

23 IV

24 Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code  
25 section 17406, which constitutes grounds for the revocation of its escrow agent’s license.

26 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be revoked  
27 pursuant to Financial Code sections 17602.5 and 17608.  
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Dated: January 4, 2010  
San Diego, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Joyce Tsai  
Corporations Counsel