

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 Department of Corporations  
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4 Los Angeles, California 90013  
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5

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.: 963-2240  
11 CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ACCUSATION IN SUPPORT OF  
13 Complainant, ) REVOCATION OF CALIFORNIA ESCROW  
14 vs. ) AGENT’S LICENSE  
15 CALIFORNIA PROPERTY 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:

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22 I

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

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II

The Commissioner received a letter from Respondent on April 23, 2008, informing that it wished to surrender its California escrow agent’s license.

May 1, 2008, the Commissioner sent a certified letter to Respondent at the address listed on Respondent’s letter, which was returned unclaimed. This letter notified Respondent that, as a condition of license surrender pursuant to Financial Code section 17600, subdivision (b), the licensee is required to engage a certified public account to conduct a closing audit of the licensee’s records (“closing audit report”) and report findings of compliance with the Escrow Law to the Commissioner within 105 days from the date of the application to surrender the license.

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

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

Pursuant to California Financial Code section 17202, all licensees must maintain a surety bond in the minimum amount of 25,000.00. On May 16, 2008, American Contractors Indemnity Company notified the Commissioner that it had elected to cancel the surety bond of California Property Escrow, Inc. in its entirety. On May 28, 2008, the Commissioner notified Respondent in writing that its surety bond would cancel on June 15, 2008, and requested Respondent to provide proof of bond replacement or reinstatement. Respondent failed to provide proof of bond replacement or reinstatement.

On May 30, 2008 the Commissioner sent an Assessment Notice to Respondent notifying it that the assessment of \$2,800.00 required by Financial Code section 17207 of the Escrow Law was due and payable by June 30, 2008. As of this date the assessment has not been paid.

III

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

1 days of the written notice to the commissioner, the licensee shall submit to the  
2 commissioner, at its own expense, a closing audit report as of the date the license is  
3 tendered to the commissioner for surrender, or for another period as the commissioner  
4 may specify, to be performed by an independent certified public accountant. The  
5 closing audit shall include, but not be limited to, information required by the  
6 commissioner, a bank reconciliation of the trust account, and a verified statement  
7 from a certified public accountant confirming lawful disbursement of funds. A license  
8 is not surrendered until the commissioner has reviewed and accepted the closing audit  
9 report, a determination has been made by the commissioner that acceptance of the  
10 surrender is in the public interest, and tender of the license is accepted in writing by  
11 the commissioner.

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

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

18 Financial Code section 17207 provides in pertinent part:

19 The commissioner shall charge and collect the following fees and assessments:

20 (e) (1) Each escrow agent shall pay to the commissioner for the support of this division for  
21 the ensuing year an annual license fee not to exceed two thousand eight hundred dollars  
22 (\$2800) for each office or location.

23 Financial Code section 17608 provides in pertinent part:

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

26 (b) The licensee has violated any provision of this division or any  
27 rule made by the commissioner under and within the authority of this  
28 division.

#### IV

Complainant finds that, by reason of the foregoing, Respondent California Property Escrow, Inc. has violated Financial Code sections 17202, 17207 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.

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

Dated: November 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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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of THE CALIFORNIA )  
CORPORATIONS COMMISSIONER, ) File No.: 963-2240  
11 ) **ORDER REVOKING ESCROW AGENT’S**  
Complainant, ) **LICENSE**  
12 )  
13 v. )  
14 CALIFORNIA PROPERTY ESCROW, INC., )  
15 Respondent. )  
16 )  
17 )

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 California Property Escrow, Inc. on November 1, 2011 (“Accusation”)  
21 pursuant to Financial Code section 17608 of the California Escrow Law (“Escrow Law”) (Fin. Code,  
22 §§ 17000 et seq.). The Accusation is incorporated herein by reference. The Commissioner has not  
23 received a hearing request from the Respondent, and the time to request a hearing on the Accusation  
24 has now expired.

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

DATED: November 17, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

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