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8 Attorneys for Complainant

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

12 In the Matter of the Accusation of THE ) File No.: 963-0453  
13 CALIFORNIA CORPORATIONS )  
14 COMMISSIONER, ) ACCUSATION  
15 )  
Complainant, )  
16 vs. )  
17 CALIFORNIA INVESTORS ESCROW CO., )  
18 Respondent. )  
19 )

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

23 I

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

27 II

28 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to  
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 November 30. Accordingly, Respondent was required to file its audit report on or before March 15,  
3 2008.

4 On or about October 9, 2007, Complainant notified Respondent in writing that its audit report  
5 was due March 15, 2008. Respondent failed to file the audit report by March 15, 2008.

6 On or about March 26, 2007, a follow up letter was sent to Respondent concerning its failure  
7 to file the audit report. Respondent was notified in the letter that failure to file to the audit report  
8 could result in assessment of penalties, a special examination and/or administrative action.

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

10 III

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

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

16 Financial Code section 17608 provides in pertinent part:

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

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

21 IV

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

24 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended  
25 until such time as Respondent files its audit report for the fiscal year end November 30, 2007 or for a  
26 period of one month, whichever period is greater.  
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Dated: May 22, 2008  
Sacramento, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Miranda L. Maison  
Senior Corporations Counsel