

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN WEINGER
Acting Deputy Commissioner
3 BRENT S.B. LINDGREN (CA BAR NO. 170360)
Senior Corporations Counsel
4 Department of Corporations
1515 K Street, Ste. 200
5 Sacramento, California 95814
Telephone: (916) 322-8778 Fax: (916) 445-6985

6 Attorneys for Complainant
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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.: 963-2058
12	CALIFORNIA CORPORATIONS)	
13	COMMISSIONER,)	ORDER SUSPENDING ESCROW LICENSE
14	Complainant,)	FROM JANUARY 12-23, 2009 PURSUANT
15	vs.)	TO CALIFORNIA FINANCIAL CODE
16	CALIBER ESCROW, INC.,)	SECTION 17608
17	Respondent.)	
18)	

19 TO: CALIBER ESCROW, INC.
20 20720 Ventura Boulevard, Suite 220
21 Woodland Hills, California 91364

22 NOW THEREFORE the California Corporations Commissioner (“Commissioner”), having
23 found that Caliber Escrow, Inc. has:

- 24 - failed to file its annual audit report containing audited financial statements for its fiscal year
- 25 ended July 31, 2007 until 160 days after the time required by Financial Code section 17406;
- 26 - failed to pay \$16,000 in penalties imposed by the Commissioner on May 28, 2008;
- 27 - failed to pay assessment of \$2800 due on June 30, 2008;
- 28 - failed to pay bonding assessment of \$573.01 to Escrow Agents Fidelity Corporation;
- failed to reimburse Department of Corporations \$9446.10 for examination costs;

1 - and failed to file 2008 annual audit report due on November 15, 2008;
2 hereby suspends the escrow agent’s license of Caliber Escrow, Inc. for a period of two business
3 weeks from January 12, 2009 through January 23, 2009 pursuant to Financial Code section 17608.

4 In connection with the suspension, Caliber Escrow, Inc. shall file with the Commissioner at
5 close of business on January 9, 2009 (the business day immediately preceding the date on which the
6 suspensions are to commence) a list of all open escrows with escrow numbers and escrow party
7 names along with a copy of the signed escrow instructions and signed deposit receipt(s) for the last
8 opened escrow. For purposes of this suspension, “open escrow” shall mean an escrow wherein the
9 parties to such escrow have already entered into a binding agreement and monies and/or escrow
10 instructions have been submitted to Caliber Escrow, Inc. regarding the transaction.

11 Pursuant to Financial Code section 17406, Caliber Escrow, Inc. (“Caliber Escrow”) is
12 required to submit its annual audit report for the fiscal year ending on July 31 to the Commissioner
13 on or before November 15.

14 On or about June 4, 2007, the Commissioner notified Caliber Escrow in writing that its 2007
15 audit report would become due November 15, 2007. Caliber Escrow failed to file the 2007 audit
16 report by November 15, 2007.

17 On or about December 27, 2007, a second letter was sent via certified mail to Caliber Escrow
18 concerning its failure to file the 2007 audit report. Caliber Escrow was notified therein that failure
19 to file the 2007 audit report could result in assessment of penalties, a special examination and/or
20 administrative action. This letter was certified as delivered on December 28, 2007.

21 Caliber Escrow failed to file its 2007 audit report as required by Financial Code section
22 17406 until April 24, 2008 – 160 days after it became due.

23 After the Department of Corporations issued an Accusation, Order Imposing Penalties and a
24 Notice of Intention to Issue Order Suspending Escrow Agent’s License on May 29, 2008, the
25 Department of Corporations received a letter from Richard L. Leeds indicating that he was serving
26 as “corporate counsel to Caliber Escrow, Inc.” and that the letter was written on behalf of “and with
27 the consent and approval of Caliber’s CEO Larry Merton.”
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Upon receipt of that letter, both Mr. Merton and Mr. Leeds were advised in writing of the outstanding assessments and examination costs. However, there has been no response and these costs remain unpaid.

Financial Code Section 17608, subdivisions (b) provides as follows:

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

(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.

Dated: December 29, 2008
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel