

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12 In the Matter of the Accusation of THE) File No.: 963-2349
13 CALIFORNIA CORPORATIONS)
14 COMMISSIONER,) **ORDER REVOKING ESCROW AGENT’S**
15 Complainant,) **LICENSE PURSUANT TO CALIFORNIA**
16 vs.) **FINANCIAL CODE SECTION 17606**
17 CHEETAH ESCROW SERVICES, INC.,)
18 Respondent.)
19)

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21 The California Corporations Commissioner finds that:

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23 1. CHEETAH ESCROW SERVICES, INC. (“Respondent” or “CHEETAH”) is an
24 escrow agent licensed by the California Corporations Commissioner ("Commissioner" or
25 "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code
26 Section 17000 et seq.).

27 2. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
28 required to file an annual audit report containing audited financial statements (“Annual Report”)

1 within one hundred and five (105) days after the close of their fiscal year. CHEETAH’s fiscal year
2 end is December 31. Accordingly, Respondent was required to file its Annual Report on or before
3 April 15, 2007. Respondent has yet to file the Annual Report as required by Financial Code section
4 17406.

5 3. On or about November 14, 2006, Complainant notified Respondent in writing that its
6 Annual Report was due April 15, 2007. Respondent failed to file the Annual Report by April 15,
7 2007. On or about May 9, 2007, a follow up letter was sent to Respondent concerning its failure to
8 file the Annual Report. Respondent was notified in the letter that failure to file to the Annual
9 Report could result in assessment of penalties, a special examination and/or administrative action.

10 4. On or about March 28, 2008, the Commissioner issued a Notice of Intention to Issue
11 Order Suspending Escrow Agent’s License, Order Imposing Penalties Pursuant to California
12 Financial Code Section 17408, Accusation, Statement to Respondent and accompanying documents
13 (herein “Pleadings”) against Respondent based upon Respondent’s failure to file the Annual Report.

14 5. The Order Imposing Penalties Pursuant to California Financial Code Section 17408
15 requires Respondent to pay to the Commissioner the sum of \$34,700.00 plus an additional \$100.00
16 per calendar day for each day after March 28, 2008 that Respondent did not file the Annual Report.

17 6. On or about April 1, 2008, Complainant attempted to serve the Pleadings by way of
18 certified, return-receipt mail to Respondent’s licensed location on file with the California
19 Department of Corporations. On or about April 24, 2008, the Department received verbal
20 confirmation from Respondent that Respondent received the Pleadings, and Respondent would not
21 be requesting a hearing.

22 7. To date, the Department has not received a written request for an administrative
23 hearing, or any other response from Respondent. As such, pursuant to Financial Code section
24 17408(d), the Order Imposing Penalties Pursuant to California Financial Code Section 17408 is
25 deemed final. As of May 31, 2008, Respondent must pay the penalty in the sum of \$34,700.00 plus
26 an additional \$100.00 per calendar day for each day after March 28, 2008 that Respondent did not
27 file the Annual Report.
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1 8. Pursuant to Financial Code section 17202, all escrow agent licensees are required to
2 comply with the Escrow Law bonding requirements. On or about June 12, 2008, Bond No.
3 104680722 issued by Travelers Casualty and Surety Company of American in favor of Respondent
4 expired. Accordingly, Respondent was required to obtain a replacement bond prior to the expiration
5 of Bond No. 104680722. To date, Respondent has yet to obtain a replacement bond, in violation of
6 California Financial Code section 17202.

7 10. On or about June 17, 2008, the Department of Corporations Financial Services
8 Division Special Administrator Ms. Kathleen R. Partin issued an Order to Discontinue Escrow
9 Activities Pursuant to California Financial Code Section 17415 (herein “Order to Discontinue
10 Activity”) against Respondent based Respondent’s failure to obtain a replacement bond.

11 11. On or about June 17, 2008, Complainant attempted to serve the Order to Discontinue
12 Activity by way of certified, return-receipt mail at Respondent’s licensed location on file with the
13 California Department of Corporations. To date, the Department has not received a written request,
14 for an administrative hearing from Respondent in response to the Order to Discontinue Activity.

15 12. CHEETAH has yet to file the Annual Report as required by Financial Code section
16 17406.

17 13. CHEETAH has yet to obtain a replacement bond, in violation of California Financial
18 Code section 17202.

19 14. CHEETAH has yet to remit to the Commissioner the sum of \$34,700.00 plus an
20 additional \$100.00 per calendar day for each day after March 28, 2008 that Respondent did not file
21 the Annual Report in violation of the final Order Imposing Penalties Pursuant to California Financial
22 Code Section 17408.

23 15. Respondent’s failure to pay penalties pursuant to the final Order Imposing Penalties
24 Pursuant to California Financial Code Section 17408, is grounds for the revocation of an escrow
25 agent’s license issued under California Escrow Law section 17606 that provides:

26 The commissioner may immediately revoke by order the escrow agent's
27 license if the licensee fails to comply with any order, unless the escrow
28 agent secures a court order restraining the enforcement of the
 commissioner's revocation order.

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NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent's license issued by the Commissioner to Respondent CHEETAH ESCROW SERVICES, INC. is hereby revoked, pursuant to California Financial Code section 17606. This order is effective as of the date hereof.

Dated: August 14, 2008
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Acting Deputy Commissioner