

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 MARISA I. URTEAGA-WATKINS (CA BAR NO. 236398)
Corporations Counsel
4 Department of Corporations
5 1515 K Street, Suite 200
6 Sacramento, California 95814
Telephone: (916) 445-9626
7 Facsimile: (916) 445-6985
8 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 963-1969
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 DIAMOND QUALITY ESCROW, INC.,)
Respondent.)

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

20 I.

21
22 DIAMOND QUALITY ESCROW, INC. (“Respondent” or “DIAMOND”) is an escrow
23 agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant")
24 pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et
25 seq.).

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 (“Annual Report”) within one

1 hundred and five (105) days after the close of their fiscal year. DIAMOND’s fiscal year end is
2 January 31, 2009. Accordingly, Respondent was required to file its Annual Report on or before May
3 15, 2009.

4 On or about December 3, 2008, Complainant notified Respondent in writing that its Annual
5 Report was due on or before May 15, 2009. Respondent failed to file the Annual Report by May 15,
6 2009.

7 On or about June 24, 2009, 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 Respondent has yet to file the Annual Report as required by Financial Code section 17406.

11
12 **III.**

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

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

19 Financial Code section 17608 provides in pertinent part:

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

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

24 **IV.**

25
26 Complainant finds that, by reason of the foregoing, DIAMOND has violated Financial Code
27 section 17406, which constitutes grounds for the suspension of its escrow agent’s license.

28 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

until such time as Respondent files its Annual Report for the fiscal year end January 31, 2009 or for a period of one month, whichever period is greater.

Dated: November 17, 2009
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Marisa I. Urteaga-Watkins
Corporations Counsel