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7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of THE) File No.: 963-2522
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION IN SUPPORT OF
13 Complainant,) REVOCATION OF CALIFORNIA ESCROW
14 vs.) AGENT’S LICENSE
15)
16 EVANSTON ESCROW, INC.,)
17 Respondent.)

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

21 I

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

26 II

27 The Commissioner received a letter from Respondent dated February 13, 2012, stating its
28 intent to surrender its California escrow agent’s license.

1 On February 21, 2012, the Commissioner sent a letter via certified mail to Respondent at its
2 last known business address that was received on February 23, 2012. This letter notified
3 Respondent that, as a condition of license surrender pursuant to Financial Code section 17600,
4 subdivision (b), the licensee is required to engage a certified public accountant to conduct a closing
5 audit of the licensee's records ("closing audit report") and report findings of compliance with the
6 Escrow Law to the Commissioner within 105 days from the date of the application to surrender the
7 license. Hence, the due date for the closing audit report was May 28, 2012. To date, the
8 Commissioner has not received the closing audit report from Respondent.

9 On June 7, 2012, a letter demanding the closing audit that was due on May 28, 2012 was sent
10 via certified mail to Respondent and received on June 11, 2012. The letter stated that if no response
11 regarding the closing audit report is received within 10 days of the letter, the Respondent's escrow
12 agent's license will be referred for revocation. To date, the Commissioner has not received any
13 response.

14 California Financial Code section 17202(a) states that "a licensee shall maintain a bond
15 satisfactory to the commissioner" On March 6, 2012, the Department received Notice of
16 Cancellation of Respondent's surety bond from Platte River Insurance Company. The date of
17 cancellation stated on the Notice of Cancellation was April 5, 2012. Respondent has failed to
18 reinstate or replace its surety bond as required.

19 III

20 Financial Code section 17600 provides as follows:

21 (a) An escrow agent's license remains in effect until surrendered, revoked,
22 or suspended.

23 (b) A licensee that ceases to engage in the business regulated by this
24 division and desires to no longer be licensed shall notify the commissioner
25 in writing and, at that time, tender the license and all other indicia of
26 licensure to the commissioner. Within 105 days of the written notice to the
27 commissioner, the licensee shall submit to the commissioner, at its own
28 expense, a closing audit report as of the date the license is tendered to the
commissioner for surrender, or for another period as the commissioner
may specify, to be performed by an independent certified public
accountant. The closing audit shall include, but not be limited to,
information required by the commissioner, a bank reconciliation of the

1 trust account, and a verified statement from a certified public accountant
2 confirming lawful disbursement of funds. A license is not surrendered
3 until the commissioner has reviewed and accepted the closing audit report,
4 a determination has been made by the commissioner that acceptance of the
surrender is in the public interest, and tender of the license is accepted in
writing by the commissioner.

5 Financial Code section 17602.5 provides as follows:

6 If any licensed escrow agent fails to make any reports required by law or
7 by the commissioner within ten (10) days from the day designated for the
8 making of the reports, or within any extension of time granted by the
9 commissioner, or fails to include therein any matter required by law or by
10 the commissioner, such failure shall constitute grounds for the suspension
or revocation of the license held by such escrow agent.

11 Financial Code section 17608 provides in relevant part:

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

14 (a) The licensee has failed to maintain in effect a bond required under the
provisions of this division.

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

17 IV

18 Complainant finds that, by reason of the foregoing, Respondent Evanston Escrow, Inc. has
19 violated Financial Code sections 17600, 17202, and 17602.5, and it is in the best interest of the
20 public to revoke Respondent's escrow agent's license pursuant to Financial Code section 17608.

21 WHEREFORE, IT IS PRAYED that the California escrow agent's license of Respondent
22 Evanston Escrow, Inc. be revoked.

23 Dated: July 26, 2012
24 Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

25
26
27 By _____
28 Sophia C. Kim
Corporations Counsel

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

11 In the Matter of the Accusation of THE) File No.: 963-2522
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ORDER REVOKING ESCROW AGENT’S
13) LICENSE PURSUANT TO CALIFORNIA
Complainant,) FINANCIAL CODE SECTION 17608
14)
15 vs.)
16 EVANSTON ESCROW, INC.,)
17 Respondent.)
18 _____)

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20
21 The California Corporations Commissioner issued an Accusation in Support of Revocation
22 of California Escrow Agent’s License (“Accusation for Revocation”) to Evanston Escrow, Inc.
23 (“Evanston Escrow”) on July 26, 2012. The Accusation for Revocation is incorporated herein by
24 reference. The Department has received no request for a hearing from Evanston Escrow and the
25 time to request a hearing has expired.

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NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent's license of Evanston Escrow, Inc. is hereby revoked. This Order is effective as of the date hereof.

Dated: August 21, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By _____
Mary Ann Smith
Deputy Commissioner