

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SAMUEL J. PARK (State Bar No. 293902)
Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7683
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of:) ESCROW LICENSE NO.: 963-5094
12 THE COMMISSIONER OF BUSINESS) ACCUSATION
OVERSIGHT,) (FIN. CODE, § 17608)
13 Complainant,)
14 v.)
15 ENE ELITE NATIONAL ESCROW INC.,)
16 Respondent.)
17)
18)

19
20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and
21 based upon such information and belief, alleges as follows:

22 **I.**

23 **Parties**

- 24 1. ENE Elite National Escrow Inc. (ENE) is a California corporation with its principal
25 place of business at 818 Mendocino Avenue, Suite 101, Santa Rosa, California 95401.
26 2. On November 29, 2012, the Commissioner issued an escrow agent’s license to ENE
27 under license number 963-5094.
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3 **II.**

4 **Jurisdiction**

5 3. The Commissioner has jurisdiction over the licensing and regulation of persons and
6 entities engaged in the business of receiving escrows for deposit or delivery under the Escrow Law
7 (Fin. Code, § 17000 et seq.).

8 4. Under Financial Code section 17608, subdivision (b), the Commissioner may
9 suspend or revoke an escrow agent’s license if the “licensee has violated any provision of [the
10 Escrow Law] or any rule made by the commissioner under and within the authority of [the Escrow
11 Law].”

12 **III.**

13 **Failure to File Annual Audit Report**

14 5. Under Financial Code section 17406, subdivision (a), all licensees must “submit to
15 the commissioner, at the licensee’s own expense, an audit report containing audited financial
16 statements covering the calendar year or, if the licensee has an established fiscal year, then for that
17 fiscal year, within 105 days after the close of the calendar or fiscal year, as applicable.”

18 6. ENE’s established fiscal year end was June 30. Accordingly, it was required to file
19 an annual audit report for the fiscal year ending June 30, 2016, by October 17, 2016.

20 7. On May 26, 2016, the Commissioner reminded ENE that its annual report was due
21 on October 17, 2016, by sending notice to its designated email address.

22 8. The Commissioner did not receive the 2016 annual report by October 17, 2016.
23 Thus, the Commissioner sent a letter dated October 25, 2016, to ENE by certified mail, requesting
24 that it file its annual audit report and warning that failure to do so within 10 days from the date of
25 the letter could result in suspension or revocation of its license.

26 9. On November 9, 2016, the Commissioner had not received ENE’s annual audit
27 report. That day, the Commissioner sent a copy of the 10-day demand letter to ENE by email.

28 10. Financial Code section 17602.5 provides: “If any licensed escrow agent fails to make
any reports required by law or by the commissioner within ten (10) days from the day designated
for the making of the reports, or within any extension of time granted by the commissioner, or fails

1 to include therein any matter required by law or by the commissioner, such failure shall constitute
2 grounds for the suspension or revocation of the license held by such escrow agent.”

3 11. To date, ENE has not filed its annual audit report.

4 12. Accordingly, ENE failed to file an annual audit report in violation of Financial Code
5 section 17406. ENE also failed to file a report required by law within 10 days from the day
6 designated for the making of the report in violation of Financial Code section 17602.5. Under
7 section 17602.5, such failure constitutes grounds for suspension or revocation of ENE’s license.

8 **IV.**

9 **Failure to Submit Closing Audit Report**

10 13. Under Financial Code section 17600, subdivision (b), a licensee wishing to surrender
11 its license must submit a closing audit report within 105 days of its notice to the Commissioner. A
12 license is not surrendered until the Commissioner has reviewed and accepted the closing audit
13 report, has determined that acceptance of the surrender is in the public interest, and accepts in
14 writing the tender of the license.

15 14. On February 24, 2017, ENE notified the Commissioner that it wished to surrender its
16 license and tendered its license.

17 15. In a letter dated March 7, 2017, the Commissioner provided ENE with information
18 regarding the surrender of its license, including the requirement that it submit a closing audit report
19 within 105 days after its notice of surrender.

20 16. ENE was required under Financial Code section 17600, subdivision (b), to submit a
21 closing audit report by June 9, 2017.

22 17. In a letter dated June 8, 2017, the Commissioner notified ENE that she had not
23 received its closing audit report, that the report was due within 10 days after the date of the letter,
24 and that failure to file the report could result in the revocation of its escrow agent’s license.

25 18. To date, ENE has not filed its closing audit report.

26 19. Accordingly, ENE failed to file a closing audit report in violation of Financial Code
27 section 17600, subdivision (b). ENE also failed to file a report required by law within 10 days from
28 the day designated for the making of the report in violation of Financial Code section 17602.5.

1 Under section 17602.5, such failure constitutes grounds for suspension or revocation of ENE’s
2 license.

3 **V.**

4 **Prayer**

5 For the foregoing reasons, the Commissioner finds that ENE Elite National Escrow Inc. has
6 violated Financial Code sections 17406; 17600, subdivision (b); and 17602.5 and that such
7 violations provide grounds for revoking its escrow agent’s license.

8 WHEREFORE, IT IS PRAYED that pursuant to Financial Code section 17608, subdivision
9 (b), the escrow agent’s license of ENE Elite National Escrow Inc. be revoked.

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11 Dated: May 22, 2018
12 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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14 By: _____
15 SAMUEL J. PARK
16 Counsel
17 Enforcement Division
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