

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6 Fax: (619) 525-4045

7 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 963-2269
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) **ORDER REVOKING ESCROW AGENT’S**
14 Complainant,) **LICENSE**
15 vs.)
16 ELENDER ESCROW, INC.,)
17 Respondent.)
18)

19
20 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) finds
21 that:

22 1. The Commissioner issued to the Respondent Elender Escrow, Inc. (“Respondent”) an
23 escrow license pursuant to the California Escrow Law (California Financial Code Section 17000 et
24 seq.) on December 14, 2005. Respondent was to comply with the Escrow Law at all times.

25 2. Respondent has its principal place of business at 32 Journey, Suite 100, Aliso Viejo,
26 California 92656.

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

1 within one hundred and five (105) days after the close of their fiscal year. Respondent's fiscal year
2 end was December 31, 2006 and December 31, 2007 respectively. Accordingly, Respondent was
3 required to file its Audit Report on or before April 15, 2007 and on or before April 15, 2008.

4 4. On or about November 16, 2006, the Commissioner notified Respondent in writing that its
5 2006 Audit Report was due on April 15, 2007. Respondent failed to file the 2006 Audit Report by
6 the due date. On or about May 10, 2007, a follow up letter was sent to Respondent concerning its
7 failure to file the 2006 Audit Report. Respondent was notified in the letter that failure to file the
8 2006 Audit Report could result in assessment of penalties, a special examination and/or
9 administrative action(s).

10 5. On or about November 13, 2007, the Commissioner notified Respondent in writing that
11 its 2007 Audit Report was due on April 15, 2008. Respondent failed to file the 2007 Audit Report
12 by the due date.

13 6. On or about March 14, 2008, the Commissioner filed the Accusation, the Notice of
14 Intention to Suspend Respondent's license, the Order Imposing Penalties and all the related
15 documents. On March 27, 2008, Respondent was served the Accusation, the Notice of Intention to
16 Suspend Respondent's license, the Order Imposing Penalties and all the related documents.
17 Respondent failed to file the Audit Reports. Respondent did not request a hearing and the time
18 within which to request a hearing expired.

19 7. On or about April 25, 2008, the Commissioner issued and served Respondent the Order
20 Suspending Respondent's license. Respondent's escrow license was suspended until at least May
21 25, 2008 and if the Audit Reports remained unfilled, then the suspension would remain in effect until
22 further Order by the Commissioner.

23 8. On or about June 20, 2008, the Commissioner filed the Notice of Intention to Revoke
24 Respondent's license, the Amended Accusation and all the related documents. On or about June 23,
25 2008, Respondent was served the Notice of Intention to Revoke its license, the Amended Accusation
26 and all the related documents. The Commissioner has not received a request for a hearing from
27 Respondent and the time within which to request a hearing has expired.

28 ///

1 9. On or about July 9, 2008, Respondent filed its 2006 Audit Report. On or about July 14,
2 2008, Respondent paid the penalties for the days the 2006 Audit Report was late. The
3 Commissioner notified Respondent in writing that the 2007 Audit Report was still outstanding and
4 the penalties continued to accrue for the outstanding 2007 Audit Report. On or about August 15,
5 2008, Respondent requested an extension to submit the 2007 Audit Report. The Commissioner
6 notified Respondent in writing that it would grant Respondent an extension to the end of August
7 2008 to file the 2007 Audit Report, and to pay the accrued penalties for the late filing of the 2007
8 Audit Report.

9 10. Respondent has yet to file the 2007 Audit Report required by California Financial Code
10 section 17406. Further, Respondent has yet to pay the administrative penalty for the outstanding
11 2007 Audit Report pursuant to California Financial Code section 17408.

12 11. California Financial Code section 17602.5 states:

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

17 12. California Financial Code section 17608 states:

18 The commissioner may, after notice and a reasonable opportunity to
19 be heard, suspend or revoke any license if he finds that:
20 (a) The licensee has failed to maintain in effect a bond required under the provisions
of this division.
21 (b) The licensee has violated any provision of this division or any
rule made by the commissioner under and within the authority of this
22 division.
23 (c) Any fact or condition exists which, if it had existed at the time of the original
application for such license, reasonably would have warranted the commissioner in
24 refusing originally to issue such license.

25 13. The Commissioner finds that, by reason of the foregoing, Elender Escrow, Inc. has
26 violated California Financial Code section 17406, which constitutes grounds for the revocation of its
27 escrow agent's license.

28 ///

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

THEREFORE, pursuant to California Financial Code section 17608 the escrow license issued to Elender Escrow, Inc. is hereby revoked. This Order is effective as of the date hereof.

Dated: September 5, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Acting Deputy Commissioner