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8

9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of the Accusation of THE ) File No.: 963-2132  
CALIFORNIA CORPORATIONS )  
13 COMMISSIONER, ) ACCUSATION  
14 )  
Complainant, )  
15 )  
16 vs. )  
17 FIRST AMERICAN EAGLE ESCROW, INC., )  
18 Respondent. )  
19 \_\_\_\_\_ )

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

22 I.

23 First American Eagle Escrow, Inc. (“Respondent” or “First American”) is an escrow agent  
24 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant  
25 to the Escrow Law of the State of California (California Financial Code Section 17000 et 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 (“audit report”) within one

1 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is July  
2 31. Accordingly, Respondent was required to file its audit report on or before November 15, 2007.

3 On or about June 4, 2007, Complainant notified Respondent in writing that its audit report  
4 was due November 15, 2007. Respondent failed to file the audit report by November 15, 2007.

5 Respondent has yet to file the audit report as required by Financial Code section 17406.

6 III.

7 Pursuant to Financial Code section 17210 (a), all licensees under the Escrow Law are  
8 required to maintain at all times a tangible net worth of fifty-thousand dollars (\$50,000), including  
9 liquid assets of at least twenty-five thousand dollars (\$25,000) in excess of current liabilities.

10 On November 20, 2006, Complainant notified Respondent in writing that its 2006 audit  
11 report demonstrated that Respondent failed to meet the liquidity requirements as required under  
12 Financial Code section 17210 (a) and requested that Respondent submit financial statements  
13 demonstrating compliance with Financial Code section 17210 (a) by December 12, 2006.

14 Respondent has yet to file any financial statements demonstrating that it has complied with  
15 the liquidity requirements under Financial Code section 17210 (a).

16 IV.

17 Financial Code section 17210 (a) provides in pertinent part as follows:

18 An escrow agent licensed on or after January 1, 1986,  
19 shall maintain at all times a tangible net worth of fifty thousand  
20 dollars (\$50,000), including liquid assets of at least twenty-five  
thousand dollars (\$25,000) in excess of current liabilities.

21  
22 Financial Code section 17602.5 provides in pertinent part as follows:

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

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28 Financial Code section 17608 provides in pertinent part:

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

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

V.

Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code sections 17210 (a) and 17406, which constitute grounds for the suspension of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended until such time as Respondent files its audit report for the fiscal year ending July 31, 2007 and provides financial statements demonstrating compliance with the liquidity requirements of Financial Code section 17210 (a) or for a period of one month, whichever period is greater.

Dated: March 19, 2008  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Johnny Vuong  
Corporations Counsel