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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 2548
)
)
HAVEN ESCROW, INC.)
)
a licensee under the Escrow Law)
)

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT
TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: HAVEN ESCROW, INC.
3158 Red Hill Avenue, Suite 210
Costa Mesa, CA 92626

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

HAVEN ESCROW, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective June 4, 2009, Bond No. FS2407446 issued by GREAT AMERICAN INSURANCE COMPANY in favor of HAVEN ESCROW, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, HAVEN ESCROW, INC. is conducting escrow business in
2 violation of Section 17202 of the Financial Code and is conducting business in an unsafe and
3 injurious manner as to render further operations hazardous to the public or to customers.

4 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
5 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California
6 Financial Code, that HAVEN ESCROW, INC. immediately discontinue acceptance of any new
7 escrow or joint control business, and of money, documents or other property in connection
8 therewith.

9 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

10 Section 17415 of the Financial Code provides as follows:

11 (a) If the commissioner, as a result of any examination or from
12 any report made to him or her, shall find that any person subject to this
13 division is in an insolvent condition, is conducting business in such an
14 unsafe or injurious manner as to render further operations hazardous to the
15 public or to customers, has failed to comply with the provisions of Section
16 17212.1 or 17414.1, has permitted its tangible net worth to be lower than
17 the minimum required by law, has failed to maintain its liquid assets in
18 excess of current liabilities as set forth in Section 17210, or has failed to
19 comply with the bonding requirements of Chapter 2 (commencing with
20 Section 17200) of this division, the commissioner may, by an order
21 addressed to and served by registered or certified mail or by personal
22 service on such person and on any other person having in his or her
23 possession or control any escrowed funds, trust funds or other property
24 deposited in escrow with said person, direct discontinuance of the
25 disbursement of trust funds by the parties or any of them, the receipt of
26 trust funds, the delivery or recording of documents received in escrow, or
27 other business operations. No person having in his or her possession any of
28 these funds or documents shall be liable for failure to comply with the
order unless he or she has written notice of the order. Subject to
subdivision (b), the order shall remain in effect until set aside by the
commissioner in whole or in part, the person has been adjudged bankrupt,
or pursuant to Chapter 6 (commencing with Section 17621) of this division
the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of any order pursuant to
Subdivision (a), the person may request a hearing under the Administrative
Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3
or Title 2 of the Government Code. Upon receipt of a request, the matter
shall be set for hearing to commence within 30 days after such receipt
unless the person subject to this division consents to a later date. If no

1 hearing is requested 15 days after the mailing or service of such notice and
2 none is ordered by the commissioner, the failure to request a hearing shall
3 constitute a waiver of the right to a hearing. Neither the request for a
4 hearing nor the hearing itself shall stay the order issued by the
5 commissioner under subdivision (a).

6 Dated: June 5, 2009
7 Los Angeles, California

8 Preston DuFauchard
9 California Corporations Commissioner

10 By _____
11 Kathleen R. Partin
12 Special Administrator
13 (213) 576-7595
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE COMMISSIONER OF)	Case No.: 963-2548
CORPORATIONS OF THE STATE OF)	
CALIFORNIA,)	ORDER SETTING ASIDE ORDER TO
)	DISCONTINUE ESCROW ACTIVITIES
Complainant,)	PURSUANT TO CALIFORNIA FINANCIAL
)	CODE SECTION 17415
vs.)	
)	
HAVEN ESCROW, INC.)	
)	
)	
Respondent)	
)	

TO: HAVEN ESCROW, INC.
18226 McDermott West, Suite D
Irvine, CA 92614

NOW, THEREFORE, the California Corporations Commissioner having found HAVEN ESCROW, INC. has complied with bonding requirements of the Escrow Law, Financial Code Section 17202 as of June 9, 2009, the Order to Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued on June 5, 2009 is hereby set aside as of June 9, 2009.

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1 Dated: Los Angeles, California
2 June 12, 2009

3 Preston DuFauchard
4 California Corporations Commissioner

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6 By _____
7 Kathleen R. Partin
8 Special Administrator
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1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 Department of Corporations
320 West 4th St. Ste. 750
4 Los Angeles, California 90013
Telephone: (213) 576-6205; Fax: (213) 576-7181
5

6 Attorneys for Complainant

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

10 In the Matter of the Accusation of THE) File No.: 963-2548
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION IN SUPPORT OF
13 Complainant,) REVOCATION OF CALIFORNIA ESCROW
14 vs.) AGENT’S LICENSE
15 HAVEN ESCROW, INC.,)
16 Respondent.)
17)

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

21 I

22 Haven 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 June 2, 2011, informing that it
28 wished to surrender its California escrow agent’s license.

1 On June 17, 2011, the Commissioner sent a certified letter to Respondent at its last known
2 address on file with the Commissioner, which was received by Respondent on June 20, 2011. This
3 letter notified Respondent that, as a condition of license surrender pursuant to Financial Code section
4 17600, subdivision (b), the licensee is required to engage a certified public account to conduct a
5 closing audit of the licensee’s records (“closing audit report”) and report findings of compliance with
6 the Escrow Law to the Commissioner within 105 days from the date of the application to surrender
7 the license.

8 Pursuant to Financial Code section 17600, subdivision (b), the Respondent’s closing audit
9 report was due 105 days from the date of application to surrender its escrow agent’s license, which
10 was September 18, 2011.

11 To date, the Commissioner has received neither a response to the June 17, 2011 letter nor the
12 closing audit report from Respondent.

13 Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are
14 required to file an annual audit report containing audited financial statements ("annual audit report")
15 within one hundred five (105) days after the close of their fiscal year. Respondent’s fiscal year-end
16 is July 31, 2010. Accordingly, Respondent was required to file its annual audit report for the fiscal
17 year ended July 31, 2010, on or before November 15, 2010.

18 On June 7, 2010, the Commissioner notified Respondent in writing that its annual audit
19 report was due by November 15, 2010. The Commissioner further notified Respondent of the fact
20 that its failure to file its annual report by November 15, 2010 could result in the suspension or
21 revocation of its escrow agent’s license.

22 Respondent has yet to file the annual audit report as required under California Financial Code
23 section 17406.

24 On May 30, 2011 the Commissioner sent an Assessment Notice to Respondent notifying it
25 that the assessment of \$2,800.00 required by Financial Code section 17207 of the Escrow Law was
26 due and payable by June 30, 2011. As of this date the assessment has not been paid.

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III

1
2 Financial Code section 17600, subdivision (b), provides as follows:

3 A licensee that ceases to engage in the business regulated by this division and desires
4 to no longer be licensed shall notify the commissioner in writing and, at that time,
5 tender the license and all other indicia of licensure to the commissioner. Within 105
6 days of the written notice to the commissioner, the licensee shall submit to the
7 commissioner, at its own expense, a closing audit report as of the date the license is
8 tendered to the commissioner for surrender, or for another period as the commissioner
9 may specify, to be performed by an independent certified public accountant. The
10 closing audit shall include, but not be limited to, information required by the
11 commissioner, a bank reconciliation of the trust account, and a verified statement
12 from a certified public accountant confirming lawful disbursement of funds. A license
13 is not surrendered until the commissioner has reviewed and accepted the closing audit
14 report, a determination has been made by the commissioner that acceptance of the
15 surrender is in the public interest, and tender of the license is accepted in writing by
16 the commissioner.

17
18 Financial Code section 17602.5 provides in pertinent part as follows:

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

24
25 Financial Code section 17207 provides in pertinent part:

26 The commissioner shall charge and collect the following fees and assessments:

27 (e) (1) Each escrow agent shall pay to the commissioner for the support of this division for
28 the ensuing year an annual license fee not to exceed two thousand eight hundred dollars
(\$2800) for each office or location.

Financial Code section 17608 provides in pertinent part:

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.

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IV

Complainant finds that, by reason of the foregoing, Respondent Haven Escrow, Inc. has violated Financial Code sections 17207, 17406, and 17600, and it is in the best interests of the public to revoke Respondent’s escrow agent’s license pursuant to Financial Code section 17608.

WHEREFORE, IT IS PRAYED that the California escrow agent’s license of Respondent Haven Escrow, Inc. be revoked.

Dated: November 1, 2011
Los Angeles, CA

California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 Department of Corporations
320 West 4th Street, Suite 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-6205 Fax: (213) 576-7181
5 Attorneys for Complainant

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

10 In the Matter of THE CALIFORNIA) File No.: 963-2548
CORPORATIONS COMMISSIONER,)
11 Complainant,) **ORDER REVOKING ESCROW AGENT'S**
12) **LICENSE**
13 v.)
14 HAVEN ESCROW, INC.,)
15 Respondent.)
16)
17)

18 The California Corporations Commissioner ("Commissioner") issued a Notice of Intention to
19 Issue Order Revoking Escrow Agent's License and Accusation for the revocation of the escrow
20 agent's license issued to Haven Escrow, Inc. on November 1, 2011 ("Accusation") pursuant to
21 Financial Code section 17608 of the California Escrow Law ("Escrow Law") (Fin. Code, §§ 17000 et
22 seq.). The Accusation is incorporated herein by reference. The Commissioner has not received a
23 hearing request from the Respondent, and the time to request a hearing on the Accusation has now
24 expired.

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

DATED: November 17, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division