

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 BLAINE A. NOBLETT (State Bar No. 235612)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Ste. 750
5 Los Angeles, CA 90013-2344
Telephone: (213) 576-1396
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11 In the Matter of:) Escrow License No. 963-2341
12)
13 THE COMMISSIONER OF BUSINESS) ORDER IMPOSING PENALTIES UNDER
OVERSIGHT,) FINANCIAL CODE SECTION 17408
14)
15 Complainant,)
16 vs.)
17)
18 JD ESCROW, INC.)
19 Respondent.)
20)

21 TO: JD ESCROW, INC.
22 16509 Brookhurst Street
23 Fountain Valley, CA 92708

24 NOW THEREFORE the Commissioner of Business Oversight ("Commissioner") having
25 found that JD Escrow, Inc. ("JD Escrow") failed to timely file its annual audit report containing
26 audited financial statements ("audit report") for its fiscal year ended December 31, 2015, as required
27 by Financial Code section 17406, it is hereby ordered, under Financial Code section 17408, that JD
28 Escrow pay the Commissioner the sum of \$30,000.00, as of the date of this order, and that said

1 penalties shall continue to accrue at the rate of \$500.00 per day for each day the audit report is late,
2 until the report is filed with the Commissioner.

3 Under Financial Code section 17406, the Commissioner required, on or before April 15, 2016,
4 JD Escrow submit its December 31, 2015 audit report.

5 On or about November 18, 2015, the Commissioner notified JD Escrow in writing of the audit
6 report's due date as well as the possibility of the imposition of fines if the company filed the audit
7 report late.

8 On or about April 27, 2016, the Commissioner sent JD Escrow a demand letter requesting its
9 audit report within ten days from the date of the letter. The written demand warned the company of
10 potential penalties and possible suspension or revocation of its license if the report was not received
11 within the ten-day deadline. JD Escrow did not submit its audit report within the ten-day deadline. As
12 of the date of this order, JD Escrow's audit report is 64 days late.

13 Financial Code section 17408 provides as follows:

14 (a) If any person subject to this division fails to make any report
15 required by law or by the commissioner, the commissioner may
16 immediately cause the books, records, papers, and affairs of said person
to be thoroughly examined.

17 (b) The commissioner may impose, by order, a penalty on any person
18 who fails, within the time specified in any written demand of the
19 commissioner, (1) to make and file with the commissioner any report
20 required by law or requested by the commissioner, or (2) to furnish any
21 material information required by the commissioner to be included in
22 the report. The amount of the penalty may not exceed one hundred
dollars (\$100) for each day for the first five days the report or
information is overdue, and thereafter may not exceed five hundred
dollars (\$500) for each day the report or information is overdue.

23 (c) If, after an order has been made under subdivision (b), a request for
24 hearing is filed in writing within 30 days of the date of service of the
25 order by the person to whom the order was directed, a hearing shall be
26 held in accordance with the Administrative Procedure Act, Chapter 5
27 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of
the Government Code, and the commissioner shall have all the powers
granted under that chapter.

28 (d) If the person fails to file a written request for a hearing within 30

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days of the date of service of the order, the order imposing the penalty shall be deemed a final order of the commissioner, and the penalty shall be paid within five business days.

(e) If a hearing is requested, the penalty shall be paid within five business days after the effective date of any decision in the case ordering payment to be made.

Dated: July 18, 2016
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division