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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.: 963-1333
)
12 THE COMMISSIONER OF BUSINESS) AMENDED ORDER IMPOSING PENALTIES
13 OVERSIGHT,) PURSUANT TO FINANCIAL CODE
) SECTION 17408
14 Complainant,)
)
15 v.)
)
16 L.A. ESCROW EXPRESS, INC.,)
17)
18 Respondent.)
19)

20 TO: L.A. ESCROW EXPRESS, INC.,
21 29134 Roadside Drive, Suite 107A
22 Agoura Hills, California 91301

23 The Commissioner of Business Oversight finds that:

24 1. Respondent L.A. Escrow Express, Inc. ("LA Escrow" or "Respondent") is an escrow
25 agent licensed by the Commissioner of Business Oversight ("Commissioner" or "Complainant")
26 pursuant to the Escrow Law of the State of California (Fin. Code §17000 et seq.). LA Escrow had
27 its principal place of business located at 29134 Roadside Drive, Suite 107A, Agoura Hills, California
28 91301.

1 2. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
2 required to file an annual audit report containing audited financial statements (“audit report”) within
3 one hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is
4 October 31. Accordingly, Respondent was required to file its audit report for the fiscal year end
5 October 31, 2015 on or before February 15, 2016.

6 3. On or about September 21, 2015, Complainant notified Respondent in writing that its
7 audit report was due February 15, 2016. Respondent failed to file the audit report by February 15,
8 2016.

9 4. On or about February 24, 2016, a demand letter was sent to Respondent via certified,
10 return-receipt mail notifying Respondent that the audit report must be filed within ten days and that
11 failure to file to the audit report would result in the assessment of penalties and possibly suspension
12 or revocation of its escrow agent’s license. Respondent failed to file the audit report by March 7,
13 2016 as demanded.

14 5. The Department of Business Oversight (“Department”), on or about March 7, 9, and
15 10, 2016, also sent three emails to LA Escrow at its designated email for Department
16 communications notifying LA Escrow that its audit report due on February 15, 2016 had still not
17 been received. According to Microsoft Outlook, all three emails were received by LA Escrow with
18 no response. On March 16, 2016, the Department received an email from Microsoft Outlook
19 notifying the Department that the March 10, 2016 email to LA Escrow had been deleted without
20 being read.

21 6. Respondent has yet to file its audit report for the fiscal year end October 31, 2015.

22 7. Financial Code Section 17408, subdivisions (b) – (e) provides as follows:

23 (b) The commissioner may impose, by order, a penalty on any person
24 who fails, within the time specified in any written demand of the
25 commissioner, (1) to make and file with the commissioner any report
26 required by law or requested by the commissioner. . . . The amount of the
27 penalty shall be one hundred dollars (\$100) for each day for the first five
28 days the report or information is overdue and, thereafter, five hundred dollars
(\$500) for each day the report or information is overdue.

(c) If, after an order has been made under subdivision (b), a request for
hearing is filed in writing within 30 days of the date of service of the order

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by the person to whom the order was directed, a hearing shall be held in accordance with the Administrative Procedure Act, Chapter 5 (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.

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

NOW THEREFORE the Commissioner of Business Oversight (“Commissioner”) having found that L.A. Escrow Express, Inc. failed to file its annual audit report containing audited financial statements for its fiscal year ended October 31, 2015 as required by Financial Code section 17406, L.A. Escrow Express, Inc. is hereby ordered, pursuant to Financial Code section 17408, to pay to the Commissioner the sum of \$16,000.00, plus an additional \$500.00 a day for each day after April 11, 2016 that the annual audit report is not filed.

Dated: November 1, 2016
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division