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10  
11 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
12 OF THE STATE OF CALIFORNIA

13 In the Matter of THE COMMISSIONER OF ) ESCROW LICENSE NO. 963-2175  
14 BUSINESS OVERSIGHT, )  
15 Complainant, ) ACCUSATION TO REVOKE ESCROW  
16 ) AGENT'S LICENSE  
17 v. )  
18 LINDAS ESCROW, INC., )  
19 Respondent. )  
20 )  
21 )

1 Jan Lynn Owen, the Commissioner of Business Oversight (“Commissioner” or  
2 “Complainant”), alleges and charges Respondent as follows:

3 **I**

4 **Introduction**

5 1. The Commissioner seeks to revoke the escrow agent’s license issued to Lindas  
6 Escrow, Inc. (“Lindas Escrow” or “Respondent”) based upon its violations of the California Escrow  
7 Law (Fin. Code, § 17000 et seq.) (“Escrow Law”), specifically, the company’s failure to file its  
8 closing audit report and pay its special assessment, as set forth more fully below.

9 **II**

10 **Statement of Facts**

11 2. Lindas Escrow, a California corporation, is an escrow agent licensed by the  
12 Commissioner under the Escrow Law. Respondent received its escrow agent’s license on January 12,  
13 2005. Its place of business is located at 202 West Holt Blvd, Suite B, Ontario, California 91762.  
14 Bertha Medina (“Medina”) is the president and sole shareholder of Lindas Escrow.

15 3. On or about December 17, 2015, Medina wrote to the Department of Business  
16 Oversight (“Department”) requesting the surrender of Lindas Escrow’s license. Along with the letter,  
17 Medina submitted the company’s escrow license. The Department responded in writing on or about  
18 December 24, 2015, demanding that prior to accepting the surrender, Lindas Escrow would need to  
19 submit a closing audit prepared by a certified public accountant within 105 days from the date of its  
20 application to surrender, or April 4, 2016, as required by Financial Code section 17600, subdivision  
21 (b).

22 4. On or about April 20, 2016, the Department wrote Medina to inform her that the  
23 closing audit for Lindas Escrow that was due on April 4, 2016 has not been received. The Department  
24 advised Medina that Lindas Escrow’s license will be referred for revocation if no response is received  
25 concerning the closing audit. To date Lindas Escrow has not provided the closing audit to the  
26 Commissioner in violation of Financial Code section 17600, subdivision (b).

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1           5.       On or about January 20, 2016, the Department sent Lindas Escrow an invoice in the  
 2 amount of \$741.00 for a special assessment as authorized by Financial Code section 17207,  
 3 subdivision (h) (1). Respondent was required to pay the special assessment by March 20, 2016. The  
 4 Department did not receive the payment from Respondent on the due date in violation of Financial  
 5 Code section 17207, subdivision (h) (2).

6           6.       On April 4, 2016, the Department sent the Respondent a letter advising it that the  
 7 payment for the special assessment was past due. The Department cautioned Respondent that under  
 8 Financial Code section 17207, subdivision (h) (2), Lindas Escrow will be assessed a penalty of 10%  
 9 for each month or partial month that the payment is past due. The letter advised Lindas Escrow that it  
 10 now owed \$815.10 for the special assessment. To date Lindas Escrow has not paid its special  
 11 assessment as required by Financial Code section 17207, subdivision (h) (1). Consequently, Lindas  
 12 Escrow is in violation of Financial Code section 17207, subdivision (h) (1).

**III**

**Applicable Law**

15           7.       Financial Code section 17207 provides in relevant part:  
 16  
 17           The commissioner shall charge and collect the following fees and  
 18           assessments:  
 19           . . .  
 20           (h)  
 21           (1) If costs and expenses associated with the enforcement of this  
 22           division, including overhead, are or will be incurred by the  
 23           commissioner during the year for which the annual license fee is levied,  
 24           and that will or could result in the commissioner's incurring of costs  
 25           and expenses, including overhead, in excess of the costs and expenses,  
 26           including overhead, budgeted for expenditure for the year in which the  
 27           annual license fee is levied, then the commissioner may levy a special  
 28           assessment on each escrow agent for each office or location in an  
           amount estimated to pay for the actual costs and expenses associated  
           with the enforcement of this division, including overhead, in an amount  
           not to exceed one thousand dollars (\$1,000) for each office or location.  
           The commissioner shall notify each escrow agent by mail of the  
           amount of the special assessment levied against it, and that payment of  
           the special assessment is payable by the escrow agent within 60 days of  
           receipt of notification by the commissioner. The funds received from  
           the special assessment shall be deposited into the State Corporations  
           Fund and shall be used only for the purposes for which the special  
           assessment is made.

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(2) If payment is not made within 60 days, the commissioner may assess and collect a penalty, in addition to the special assessment, of 10 percent of the special assessment for each month or part of a month that the payment is delayed or withheld. If an escrow agent fails to pay the special assessment on or before 60 days following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to the company. If an order is made under this subdivision, the provisions of paragraph (5) of subdivision (e) shall apply.

8. Financial Code section 17600 provides in relevant part:

(a) An escrow agent's license remains in effect until surrendered, revoked, or suspended.

(b) A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall notify the commissioner in writing . . . Within 105 days of the written notice to the commissioner, the licensee shall submit to the commissioner, at its own expense, a closing audit report as of the date the license is tendered to the commissioner for surrender, . . . to be performed by an independent certified public accountant. . . A license is not surrendered until the commissioner has reviewed and accepted the closing audit report, a determination has been made by the commissioner that acceptance of the surrender is in the public interest, and tender of the license is accepted in writing by the commissioner. (emphasis added)

9. Financial Code section 17602.5 provides:

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

10. 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

**Conclusion**

The Commissioner finds, by reason of the foregoing, Lindas Escrow has violated Financial Code sections 17207, subdivision (h) (1) and 17600, and based thereon, grounds exist to revoke the escrow agent’s license of Lindas Escrow.

WHEREFORE, IT IS PRAYED that the escrow agent license of Lindas Escrow be revoked under Financial Code sections 17602.517607, subdivision (h) (2), and 17608.

Dated: August 12, 2016  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARLOU de LUNA  
Senior Counsel  
Enforcement Division