

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12 In the Matter of THE CALIFORNIA) File No.: 963-7060
CORPORATIONS COMMISSIONER,)
13) SUSPENSION ORDER
Complainant,)
14)
15 vs.)
16 MID CAL ESCROW SERVICES, INC.,)
Respondent.)
17)
18)

19 Pursuant to the Settlement Agreement entered into between the California Corporations
20 Commissioner ("Commissioner" or "Complainant") and MID CAL ESCROW SERVICES, INC.
21 ("Mid Cal" or "Respondent") on December 16, 2010, incorporated herein, it is hereby ordered that
22 the escrow agent's license issued to Mid Cal is suspended for two separate weeks, from December
23 26, 2010 at 12:01 A.M. to January 1, 2011 at 11:59 P.M. and from January 9, 2011 at 12:01 A.M. to
24 January 15, 2011 at 11:59 P.M. , during which periods Mid Cal shall not accept any new escrow
25 business, but may continue to service prior and open escrows, in accordance with California
26 Financial Code section 17609.

27 It is further ordered that Mid Cal shall provide the Commissioner at close of business on
28 December 24, 2010 and January 8, 2011 a list of all open escrows with escrow numbers and escrow

1 party names along with a copy of the signed escrow instructions and signed deposit receipt(s) for the
2 last opened escrow. Open escrow means an escrow wherein the parties to such escrow have already
3 entered into a binding agreement and monies and/or escrow instructions have been submitted to Mid
4 Cal regarding the transaction. Mid Cal is additionally ordered to immediately engage its certified
5 public accounting firm to review the records of Mid Cal after the suspension has been completed to
6 determine Mid Cal’s compliance this Order and report its findings to the Department within 30 days
7 of completion of the suspension.

8 Pursuant to the terms of the Settlement Agreement, Mid Cal admits the facts alleged in the
9 Accusation and Order Imposing Penalties, issued October 4, 2010 (“Penalty Order”), as follows:

10 1. Mid Cal is an escrow agent licensed by the California Corporations Commissioner
11 pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et
12 seq.).

13 2. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
14 required to file an annual audit report containing audited financial statements (“Annual Report”)
15 within one hundred and five (105) days after the close of their fiscal year. Mid Cal’s fiscal year end
16 is December 31, 2009. Accordingly, Respondent was required to file its Annual Report on or before
17 April 15, 2010.

18 3. On or about November 2, 2009, Complainant notified Respondent in writing that its
19 Annual Report was due on or before April 15, 2010. Respondent failed to file the Annual Report.

20 4. On or about May 19, 2010, a demand letter was sent to Respondent concerning its
21 failure to file the Annual Report. Respondent was notified in the letter that failure to file the Annual
22 Report within ten (10) days of the date of the letter could result in assessment of penalties, a special
23 examination and/or administrative action.

24 Mid Cal did not file its 2009 Report until November 9, 2010. Mid Cal requested a hearing on
25 the merits of the Penalty Order. Mid Cal now wishes to settle the Penalty Order by entering into the

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Settlement Agreement, paying a lesser penalty of \$10,000 than ordered in the Penalty Order, and agreeing to the two week suspension of new business ordered herein.

Dated: December 16, 2010
Los Angeles, California PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner