

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JOYCE TSAI (CA BAR NO. 241908)  
Corporations Counsel  
4 Department of Corporations  
1350 Front Street, Suite 2034  
5 San Diego, CA 92101  
Telephone: (619) 525-4043 Fax: (619) 525-4045  
6 Attorneys for Complainant

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

11 CALIFORNIA CORPORATIONS ) File No.: 963-0205  
12 COMMISSIONER, )  
13 Complainant, )  
14 vs. ) ACCUSATION  
15 MONROVIA ESCROWS, )  
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 Monrovia Escrows (“Respondent” or “Monrovia”) is an escrow agent licensed by the  
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow  
24 Law, California Financial Code Section 17000 et seq. Respondent’s license was issued on April 12,  
25 1957.

26 II

27 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to  
28 file an annual audit report containing audited financial statements (“audit report”) within one

1 hundred and five (105) days after the close of their fiscal year. Pursuant to subsection (d) of that  
2 section, the annual report must be prepared by an independent certified public accountant (CPA) or  
3 independent public accountant. Respondent’s fiscal year end is December 31. Accordingly,  
4 Respondent was required to file an audit report on or before April 15, 2010.

5 On or about November 2, 2009, Complainant notified Respondent in writing that its audit  
6 report was due April 15, 2010. Respondent failed to file the audit report by April 15, 2010.

7 On or about May 19, 2010, a follow up letter was sent to Respondent concerning its failure to  
8 file the audit report. Respondent was notified in the letter that failure to file to the audit report could  
9 result in assessment of penalties, a special examination and/or administrative action. Respondent  
10 received Complainant’s letter on May 20, 2010.

11 Respondent has yet to file its annual audit for fiscal year 2009.

12 III

13 Financial Code section 17602.5 provides in pertinent part as follows:

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

18 Financial Code section 17608 provides in pertinent part:

19 The commissioner may, after notice and a reasonable opportunity to  
20 be heard, suspend or revoke any license if he finds that:

21 ...

22 (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.

23 IV

24 Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code  
25 section 17406, which constitutes grounds for the suspension of its escrow agent’s license.

26 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended  
27 until such time as Respondent files its annual audit report for the fiscal year ending on December 31,  
28 2009, or for a period of one month, whichever period is greater.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: September 27, 2010  
San Diego, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Joyce Tsai  
Corporations Counsel