

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No.: 963-1780
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15 vs.)
16 MOUNTAINSIDE ESCROW,)
17 Respondent.)
18)

19
20 The Complainant is informed and believes and based upon such information and belief,
21 alleges and charges as follows:

22 **I**

23 MOUNTAINSIDE ESCROW (“Respondent” or “MOUNTAINSIDE”) is an escrow agent
24 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant
25 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).

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 (“Annual Report”) within one
hundred and five (105) days after the close of their fiscal year. MOUNTAINSIDE’s fiscal year end

1 is December 31, 2009. Accordingly, Respondent was required to file its Annual Report on or before
2 April 15, 2010.

3 On or about November 2, 2009, Complainant notified MOUNTAINSIDE in writing that its
4 Annual Report was due April 15, 2010 for the fiscal year ending December 31, 2009.
5 MOUNTAINSIDE failed to file the Annual Report by the April 15, 2010 due date.

6 On or about May 19, 2010, a follow up demand letter was sent to Respondent concerning its
7 failure to file the Annual Report. MOUNTAINSIDE was notified in the letter that failure to file to
8 the Annual Report could result in assessment of penalties calculated from the expiration date of the
9 10-day demand letter, a special examination and/or administrative action.

10 MOUNTAINSIDE has yet to file the Annual Report as required by Financial Code section
11 17406.

12 III

13 Pursuant to Financial Code section 17207, all licensees under the Escrow Law are required to
14 pay an annual license fee or assessment for each location in an amount not to exceed \$2800.00.
15 Invoice No. ES0420 in the amount of \$2,800.00 was sent to MOUNTAINSIDE, as required by
16 Financial Code section 17207, on May 30, 2010. Payment for the invoice was due June 30, 2010. A
17 penalty of 10% is due for each month or partial month the payment was received after June 30, 2010,
18 pursuant to Financial Code section 17207(e)(3). On August 11, 2010, Complainant sent
19 MOUNTAINSIDE a follow up demand letter concerning the failure to pay the annual assessment.
20 MOUNTAINSIDE was notified in the letter that failure to pay the Assessment and related penalties,
21 if any, could result in the revocation of its escrow license. MOUNTAINSIDE, to date, has yet to pay
22 the Assessment and/or any penalties relating to that Assessment.

23 IV

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

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

Financial Code section 17207(e) provides in pertinent part as follows:

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(e) (1) Each escrow agent shall pay to the commissioner for the support of this division for the ensuing year an annual license fee not to exceed two thousand eight hundred dollars (\$2,800) for each office or location.

(4) If an escrow agent fails to pay the amount due on or before the June 30 following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to the company.

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.

V.

Complainant finds that, by reason of the foregoing, MOUNTAINSIDE has violated Financial Code section 17207 and 17406 which constitutes grounds for the revocation of its escrow agent’s license. WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be revoked.

Dated: October 14, 2010
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Marisa I. Urteaga-Watkins
Corporations Counsel