

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Acting Deputy 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,) **ORDER REVOKING ESCROW AGENT’S**
14 Complainant,) **LICENSE PURSUANT TO CALIFORNIA**
15 vs.) **FINANCIAL CODE SECTION 17606**
16 MOUNTAINSIDE ESCROW,)
17 Respondent.)

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20 The California Corporations Commissioner finds that:

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

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

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

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8 4. On or about May 19, 2010, a follow up demand letter was sent to Respondent concerning
9 its failure to file the Annual Report. MOUNTAINSIDE was notified in the letter that failure to file
10 to the Annual Report could result in assessment of penalties calculated from the expiration date of
11 the 10-day demand letter, a special examination and/or administrative action. MOUNTAINSIDE has
12 yet to file the Annual Report as required by Financial Code section 17406.

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14 5. Pursuant to Financial Code section 17207, all licensees under the Escrow Law are required
15 to pay an annual license fee or assessment for each location in an amount not to exceed \$2800.00.
16 Invoice No. ES0420 in the amount of \$2,800.00 (“Assessment”) was sent to MOUNTAINSIDE, as
17 required by Financial Code section 17207, on May 30, 2010. Payment for the invoice was due June
18 30, 2010. A penalty of 10% is due for each month or partial month the payment was received after
19 June 30, 2010, pursuant to Financial Code section 17207(e)(3).

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21 6. On August 11, 2010, Complainant sent MOUNTAINSIDE a follow up demand letter
22 concerning the failure to pay the annual assessment. MOUNTAINSIDE was notified in the letter
23 that failure to pay the Assessment and related penalties, if any, could result in the revocation of its
24 escrow license. MOUNTAINSIDE, to date, has yet to pay the Assessment and/or any penalties
25 relating to that Assessment.

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27 7. On October 14, 2010, the Commissioner issued a Notice of Intention to Issue Order
28 Revoking Escrow Agent’s License, Order Imposing Penalties Pursuant to California Financial Code

1 Section 17408, Accusation, Statement to Respondent and accompanying documents (herein
2 “Pleadings”) against Respondent based upon Respondent’s failure to file the Annual Report and
3 failure to pay the Assessment and/or any penalties relating to that Assessment.

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5 8. The Order Imposing Penalties Pursuant to California Financial Code Section 17408
6 requires Respondent to pay to the Commissioner the sum of \$33,500.00 plus an additional \$250.00
7 per calendar day for each day after June 2, 2010 that Respondent did not file the Annual Report.

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9 9. On or about October 14, 2010, Complainant served the Pleadings by way of certified,
10 return-receipt mail to Respondent’s licensed location on file with the California Department of
11 Corporations. To date, the Department has not received a written request for an administrative
12 hearing, or any other response from Respondent. As such, pursuant to Financial Code section
13 17408(d), the Order Imposing Penalties Pursuant to California Financial Code Section 17408 is
14 deemed final.

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

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19 11. MOUNTAINSIDE, to date, has yet to pay the Assessment and/or any penalties relating to
20 that Assessment.

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22 12. MOUNTAINSIDE has yet to remit to the Commissioner the sum of \$33,500.00 plus an
23 additional \$250.00 per calendar day for each day after June 2, 2010 that Respondent did not file the
24 Annual Report in violation of the final Order Imposing Penalties Pursuant to California Financial
25 Code Section 17408.

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13. Respondent’s failure to pay penalties pursuant to the final Order Imposing Penalties Pursuant to California Financial Code Section 17408, is grounds for the revocation of an escrow agent’s license issued under California Escrow Law section 17606 that provides:

The commissioner may immediately revoke by order the escrow agent's license if the licensee fails to comply with any order, unless the escrow agent secures a court order restraining the enforcement of the commissioner's revocation order.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent’s license issued by the Commissioner to Respondent MOUNTAINSIDE ESCROW is hereby revoked, pursuant to California Financial Code section 17606. This order is effective as of the date hereof.

Dated: December 16, 2010
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Deputy Commissioner