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

12 In the Matter of:)	Escrow License No.: 963-2642
13 THE COMMISSIONER OF BUSINESS)	STATEMENT OF FACTS IN SUPPORT OF ORDER TO DISCONTINUE VIOLATIONS PURSUANT TO FINANCIAL CODE SECTION 17602
14 OVERSIGHT,)	
15 Complainant,)	
16 v.)	
17 NEW ERA ESCROW, INC.,)	
18 Respondent.)	

21 The Complainant, Commissioner of Business Oversight (Commissioner), alleges and charges
22 Respondent New Era Escrow, Inc. (New Era) as follows:

- 23 1. Respondent New Era is an escrow agent licensed by the Commissioner pursuant to the
24 California Escrow Law (Fin. Code, § 17000 et seq.) (Escrow Law). New Era has its principal place
25 of business located at 509 N. Sepulveda Boulevard, Suite 101, Manhattan Beach, California 90266.
- 26 2. Pursuant to Financial Code section 17210, all licensees under the Escrow Law are required to
27 maintain a tangible net worth in the amount of at least \$50,000.00 and liquid assets in the amount of
28 at least \$25,000.00.

1 3. New Era failed to meet the tangible net worth and liquid asset requirements throughout 2016,
2 showing deficiencies on its April 2016 annual report and in its financial statements of August,
3 September and October 2016. This was despite the Commissioner notifying New Era on or about
4 August 30, 2016 that proof of correction of the tangible net worth and liquid assets deficiencies
5 needed to be filed with the Commissioner within 30 days.

6 4. On or about October 27, 2017, the Commissioner again notified New Era in writing that it did
7 not meet the liquid asset and tangible net worth requirements of Financial Code section 17210, with
8 an \$18,858.00 deficiency in liquid assets and a \$1,422.00 deficiency in tangible net worth. The
9 Commissioner further notified New Era that if it failed to provide proof within 30 days that these
10 deficiencies were corrected, such failure could result in administrative action, including the
11 suspension of its escrow agent license.

12 5. New Era responded to the Commissioner's letter but did not provide proof of correction of the
13 deficient liquid assets.

14 6. The Commissioner notified New Era in writing on December 8, 2017 of its continued failure
15 to meet the liquid asset requirement of Financial Code section 17210. The Commissioner warned
16 New Era that if it did not provide proof of correction of the deficiency, the matter would be referred
17 for administrative action. New Era was again told that its violations of Financial Code section 17210
18 could result in suspension of its escrow agent license. To date, no such proof has been received by
19 the Commissioner.

20 7. Financial Code section 17602 provides:

21 If it appears to the commissioner that any licensed escrow agent has violated its
22 articles of incorporation, or any law or rule binding upon it, the commissioner
23 shall, by written order addressed to the agent direct the discontinuance of such
24 violation. The order shall be effective immediately, but shall not become final
25 except in accordance with the provisions of Section 17604.

26 8. Financial Code section 17604 provides:

27 No order issued pursuant to Sections 17602 or 17603 may become final except
28 after notice to any licensed escrow agent affected thereby of the intention of the
commissioner to make such order final and of the reasons therefor and that upon
receipt of a request the matter will be set down for hearing to commence within

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15 business days after such receipt unless the licensed agent affected consents to a later date. If no hearing is requested within 30 days after the mailing of such notice and none is ordered by the commissioner, the order may become final without hearing and the licensed escrow agent shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all of the powers granted thereunder. If upon the hearing, it appears to the commissioner that the licensed agent is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensed escrow agent shall immediately discontinue the practices named in the order.

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue Violations and notifying New Era of her intention to make the order final.

Dated: February 20, 2018
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
JOANNE ROSS
Senior Counsel
Enforcement Division