

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.: 963-2327
12 COMMISSIONER,)
13 Complainant,) ACCUSATION
14 vs.)
15 NORTHWEST ESCROW SERVICES CORP.,)
16 Respondent.)
17)
18)

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

22 I

23 Northwest Escrow Services Corp. (“Respondent” or “Northwest Escrow”) is an escrow agent
24 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant
25 to the Escrow Law, California Financial Code Section 17000 et seq. Respondent’s license was
26 issued on March 10, 2006.

27 II

28 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to

1 file an annual audit report containing audited financial statements (“audit report”) within one
2 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is June
3 30. Accordingly, Respondent was required to file its audit report on or before October 15, 2009.

4 On or about May 12, 2009, Complainant notified Respondent in writing that its audit report
5 would be due October 15, 2009. Respondent failed to file the audit report by October 15, 2009.

6 On or about October 21, 2009, a follow up letter was sent to Respondent concerning its
7 failure to file the audit report. Respondent was notified in the letter that failure to file to the audit
8 report could result in assessment of penalties, a special examination and/or administrative action.
9 Respondent received Complainant’s letter on October 23, 2009.

10 Respondent has yet to file the audit report as required by Financial Code section 17406.

11 III

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

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

17 Financial Code section 17608 provides in pertinent part:

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

20 ...

21 (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.

22 IV

23 Respondent also failed to file its 2007 annual audit report by October 15, 2007.

24 On or about March 24, 2008, based on the failure to timely file the 2007 annual audit report,
25 Complainant issued an Order Imposing Penalties and an Accusation to suspend Respondent’s escrow
26 agent’s license.

27 On or about May 18, 2008, Complainant and Respondent entered a settlement agreement
28 whereby Respondent agreed to serve a two-week suspension and pay \$17,800.00 in penalties.

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V.

Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code section 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 for failure to file its audit report for the fiscal year ending on June 30, 2009.

Dated: January 28, 2010
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Joyce Tsai
Corporations Counsel