

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 Department of Corporations
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5

6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of THE) File No.: 963-0226
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION IN SUPPORT OF
13 Complainant,) REVOCATION OF CALIFORNIA ESCROW
14 vs.) AGENT’S LICENSE
15)
16 PALOS VERDES ESCROW CO., INC.,)
17 Respondent.)
_____)

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

21 I

22 Palos Verdes Escrow Co., Inc. (“Respondent”) is an escrow agent licensed by the California
23 Corporations Commissioner ("Commissioner" or "Complainant") of the Department of Corporations
24 (“Department”) pursuant to the Escrow Law of the State of California (California Financial Code
25 Section 17000 *et seq.*).

26 II

27 The Commissioner received a letter from Respondent on June 14, 2011, informing that it
28 wished to surrender its California escrow agent’s license.

1 On June 17, 2011, the Commissioner sent a certified letter to Respondent at its last known
2 address on file with the Commissioner, which was received by Respondent on June 20, 2011. This
3 letter notified Respondent that, as a condition of license surrender pursuant to Financial Code section
4 17600, subdivision (b), the licensee is required to engage a certified public account to conduct a
5 closing audit of the licensee’s records (“closing audit report”) and report findings of compliance with
6 the Escrow Law to the Commissioner within 105 days from the date of the application to surrender
7 the license.

8 Pursuant to Financial Code section 17600, subdivision (b), the Respondent’s closing audit
9 report was due 105 days from the date of application to surrender its escrow agent’s license, which
10 was September 24, 2011.

11 To date, the Commissioner has received neither a response to the June 17, 2011 letter nor
12 the closing audit report from Respondent.

13 On May 30, 2011 the Commissioner sent an Assessment Notice to Respondent notifying it
14 that the assessment of \$2,800.00 required by Financial Code section 17207 of the Escrow Law was
15 due and payable by June 30, 2011. As of this date the assessment has not been paid.

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17 III

18 Financial Code section 17600, subdivision (b), provides as follows:

19 A licensee that ceases to engage in the business regulated by this division and desires
20 to no longer be licensed shall notify the commissioner in writing and, at that time,
21 tender the license and all other indicia of licensure to the commissioner. Within 105
22 days of the written notice to the commissioner, the licensee shall submit to the
23 commissioner, at its own expense, a closing audit report as of the date the license is
24 tendered to the commissioner for surrender, or for another period as the commissioner
25 may specify, to be performed by an independent certified public accountant. The
26 closing audit shall include, but not be limited to, information required by the
27 commissioner, a bank reconciliation of the trust account, and a verified statement
28 from a certified public accountant confirming lawful disbursement of funds. A license
is not surrendered until the commissioner has reviewed and accepted the closing audit
report, a determination has been made by the commissioner that acceptance of the
surrender is in the public interest, and tender of the license is accepted in writing by
the commissioner.

Financial Code section 17602.5 provides in pertinent part as follows:

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If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted 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 provides in pertinent part:

The commissioner shall charge and collect the following fees and assessments:

(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 (\$2800) for each office or location.

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.

IV

Complainant finds that, by reason of the foregoing, Respondent Palos Verdes Escrow Co., Inc. has violated Financial Code sections 17207 and 17600, and it is in the best interests of the public to revoke Respondent’s escrow agent’s license pursuant to Financial Code section 17608.

WHEREFORE, IT IS PRAYED that the California escrow agent’s license of Respondent Palos Verdes Escrow Co., Inc. be revoked.

Dated: November 1, 2011
Los Angeles, CA

California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

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

10 In the Matter of THE CALIFORNIA) File No.: 963-0226
CORPORATIONS COMMISSIONER,)
11 Complainant,) **ORDER REVOKING ESCROW AGENT'S**
12) **LICENSE**
13 v.)
14 PALOS VERDES ESCROW CO., INC.,)
15 Respondent.)
16)
17)

18 The California Corporations Commissioner ("Commissioner") issued a Notice of Intention to
19 Issue Order Revoking Escrow Agent's License and Accusation for the revocation of the escrow
20 agent's license issued to Palos Verdes Escrow Co., Inc. on November 1, 2011 ("Accusation")
21 pursuant to Financial Code section 17608 of the California Escrow Law ("Escrow Law") (Fin. Code,
22 §§ 17000 et seq.). The Accusation is incorporated herein by reference. The Commissioner has not
23 received a hearing request from the Respondent, and the time to request a hearing on the Accusation
24 has now expired.

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NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the escrow agent's license issued to Palos Verdes Escrow Co., Inc. is revoked. This order is effective as of the date hereof.

DATED: November 17, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division