

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JOANNE J. ROSS (CA BAR NO. 202338)
Corporations Counsel
4 Department of Corporations
5 1515 K Street, Ste. 200
6 Sacramento, California 95814
Telephone: (916) 324-9687
7 Facsimile: (916) 445-6985

8 Attorneys for Complainant

9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12 In the Matter of THE CALIFORNIA) File No.: 963-2477
CORPORATIONS COMMISSIONER,)
13) ACCUSATION FOR REVOCATION
Complainant,)
14)
15 vs.)
16 PACIFIC BEACHES ESCROW, INC.,)
Respondent.)
17)
18)

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

21 **I.**

22 PACIFIC BEACHES ESCROW, INC. (“Respondent” or “Pacific”) 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.).

25 **II.**

26 Financial Code Section 17600(a) states: “An escrow agent’s license remains in effect until
27 surrendered, revoked, or suspended.” On September 15, 2009, the Commissioner received a request
28 from Pacific to surrender its license. On September 23, 2009, the Commissioner sent a letter to

1 Pacific that informed Pacific of the requirements to surrender their license. Pursuant to Financial
2 Code section 17600(b), a licensee must file a closing audit report within 105 days of the written
3 request to surrender in order for the surrender to be accepted by the Commissioner. The details of
4 the closing audit requirement are provided in 17600(b). The letter sent by the Commissioner on
5 September 23, 2009 also detailed what should be included in the closing audit. This letter stated that
6 if Pacific did not submit a closing audit meeting the requirements, its license would be summarily
7 revoked.

8 On January 19, 2010, the Commissioner received a letter from Pacific that requested an
9 extension of time to file the closing audit as a result of an accident in which its President was
10 seriously injured. The letter from Pacific stated that the President was nonetheless “working with
11 her CPA now to expedite the closing audit as soon as possible”. As of February 16, 2011, the
12 closing audit has still not been submitted by Pacific, and no further correspondence has been
13 received from Pacific.

14 **III.**

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

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

20 Financial Code section 17608 provides in pertinent part:

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

23 (b) The licensee has violated any provision of this division or any
24 rule made by the commissioner under and within the authority of this
division.

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IV.

Complainant finds that, by reason of the foregoing, Pacific has violated Financial Code section 17600(b), which constitutes grounds for the revocation of its escrow agent’s license under Financial Code section 17602.5.

WHEREFORE, IT IS PRAYED that the PACIFIC BEACHES ESCROW, INC.’s escrow agent’s license be revoked pursuant to Financial Code section 17608.

Dated: February 22, 2011
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Joanne Ross
Corporations Counsel

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10 BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

11 In the Matter of THE CALIFORNIA) File No.: 963-2477
12 CORPORATIONS COMMISSIONER,)
13 Complainant,) ORDER REVOKING ESCROW AGENT’S
14 vs.) LICENSE PURSUANT TO CALIFORNIA
15) FINANCIAL CODE SECTION 17608
16 PACIFIC BEACHES ESCROW, INC.,)
17 Respondent.)
18)

19 The California Corporations Commissioner (“Commissioner”) issued an Accusation for
20 Revocation to Pacific Beaches Escrow, Inc. (“Pacific”) on February 17, 2011. The Accusation for
21 Revocation is incorporated herein by reference. The Commissioner entered into a stipulation and
22 settlement agreement with Pacific. The Stipulation Agreement is incorporated herein by reference.
23 Pacific has stipulated to the facts in the Accusation for Revocation and has agreed to revocation of
24 its escrow agent license, license number 963-2477.

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

Dated: March 8, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner

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California Corporations Commissioner
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10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12 In the Matter of the Accusation of THE) File No.: 963-2477
13 CALIFORNIA CORPORATIONS)
14 COMMISSIONER,) STIPULATION AGREEMENT
15 Complainant,)
16 vs.)
17 PACIFIC BEACHES ESCROW, INC.,)
18 Respondent.)
19)

20
21 This Stipulation Agreement (“Agreement”) is entered into between Pacific Beaches Escrow,
22 Inc. (“Pacific”) and the California Corporations Commissioner ("Commissioner"), and is made with
23 respect to the following facts:

24 **RECITALS**

- 25 A. Pacific is a suspended corporation, duly formed and existing pursuant to the laws of
26 the State of California, and was authorized to conduct business in the State of California.
27 B. Pacific currently holds escrow agent’s license number 963-2477 with its principal
28 place of business located at 1163 W 25th St., San Pedro, California 90731.

1 C. Janine King is the President of Pacific and is authorized to enter into this Stipulation
2 Agreement on behalf of Pacific.

3 D. Pacific failed to timely file its closing audit report with the Commissioner, in
4 violation of Financial Code section 17600(b).

5 E. On February 17, 2011, the Commissioner issued an Accusation for Revocation
6 Pursuant to Financial Code Section 17608(b) (“Accusation”) against Pacific.

7 F. It is the intention and desire of the parties to resolve this matter without the necessity
8 of a hearing and/or other litigation.

9 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
10 forth herein, the parties agree as follows:

11 **TERMS AND CONDITIONS**

12 1. This Stipulation Agreement is entered into for the purpose of judicial economy and
13 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

14 2. Pacific hereby admits the allegations contained in the Accusation. Pacific’s
15 admissions herein are solely for the limited purposes of this proceeding and any future proceedings
16 that may be initiated by or brought before the Commissioner against Pacific. It is the intent and
17 understanding between the parties that this Stipulation Agreement, and particularly Pacific’s
18 admissions herein, shall not be binding or admissible against Pacific in any action(s) brought against
19 Pacific by third parties.

20 3. As full and final resolution of the Accusation, Pacific agrees to have its escrow agent
21 license revoked.

22 4. Pacific acknowledges it has waived its right to an administrative hearing pursuant to
23 California Financial Code section 17608 in connection with the Accusation, and hereby waives its
24 right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant
25 to the California Financial Code, the California Administrative Procedure Act, the California Code
26 of Civil Procedure, or any other provision of law in connection with these matters.

27 5. Pacific acknowledges and agrees that this revocation shall not be the exclusive
28 remedy available to the Commissioner in pursuing future violations.

1 6. Pacific hereby agrees to the immediate issuance by the Commissioner of an order
2 revoking Pacific’s escrow agent’s license pursuant to Financial Code section 17608.

3 7. Pacific hereby affirms that it has no open escrows.

4 8. The parties hereby acknowledge and agree that this Stipulation Agreement is intended
5 to constitute a full, final and complete resolution of the Accusation. The parties further acknowledge
6 and agree that nothing contained in this Stipulation Agreement shall operate to limit the
7 Commissioner's ability to assist any other agency (county, state or federal) with any prosecution,
8 administrative, civil or criminal, brought by any such agency against Pacific based upon any of the
9 activities alleged in these matters or otherwise.

10 9. Each of the parties represents, warrants, and agrees that it has received, or
11 acknowledges the right to seek, independent legal advice from its attorney(s) with respect to the
12 advisability of executing this Stipulation Agreement.

13 10. Each of the parties represents, warrants, and agrees that in executing this Stipulation
14 Agreement it has relied solely on the statements set forth herein and, if applicable, the advice of its
15 own counsel. Each of the parties further represents, warrants, and agrees that in executing this
16 Stipulation Agreement it has placed no reliance on any statement, representation, or promise of any
17 other party, or any other person or entity not expressly set forth herein, or upon the failure of any
18 party or any other person or entity to make any statement, representation or disclosure of anything
19 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
20 any way fraudulently induced to execute this Stipulation Agreement; and (2) to preclude the
21 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
22 Stipulation Agreement.

23 11. This Stipulation Agreement is the final written expression and the complete and
24 exclusive statement of all the agreements, conditions, promises, representations, and covenants
25 between the parties with respect to the subject matter hereof, and supercedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the parties, their respective representatives, and any other person or entity, with
28 respect to the subject matter covered hereby.

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12. In that the parties have had the opportunity to draft, review and edit the language of this Stipulation Agreement, no presumption for or against any party arising out of drafting all or any part of this Stipulation Agreement will be applied in any action relating to, connected to, or involving this Stipulation Agreement. Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor or amended statute providing that, in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

13. This Stipulation Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document.

14. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Stipulation Agreement.

Dated: 3/14/2011 PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

Dated: March 7, 2011 PACIFIC BEACHES ESCROW, INC.

By _____
JANINE KING
President