

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11 In the Matter of THE CALIFORNIA)
CORPORATIONS COMMISSIONER,)

File No.: 963-1982

13 Complainant,

) **NOTICE AND SUMMARY OF FINDINGS**
) **PURSUANT TO FINANCIAL CODE**
) **SECTION 17621**

14 v.)

15 PLATINUM COAST ESCROW, INC.,)

16 Respondent.)
17)

18 TO: PLATINUM COAST ESCROW, INC.
4500 Campus Drive, Suite #127-A
19 Newport Beach, California 92660

20 3 Longboat
21 Newport Coast, California 92657

22 COMMERCE WEST BANK
23 4685 Macarthur Court
24 Newport Beach, California 92660

25 PLEASE TAKE NOTICE that the California Corporations Commissioner finds:

- 26 1. On or about April 8, 2008, a special examination of the books and records of Platinum
27 Coast Escrow, Inc. ("Platinum Coast") was commenced by the California Corporations
28 Commissioner ("Commissioner"). The special examination revealed the following:

1 a. Platinum Coast has removed its escrow agent's business from the premises or address
2 shown on its license without the prior approval of the Commissioner in violation of 17213.1 of the
3 Financial Code.

4 b. Platinum Coast has failed to perform monthly bank reconciliations on the trust account
5 since at least January 31, 2008 in violation of Financial Code section 17404 and Code of Regulations,
6 title 10, section 1732.2.

7 c. Platinum Coast has failed to maintain its books and records, including escrow files, for
8 a period of at least five (5) years from the close of escrow in violation of Code of Regulations, title
9 10, section 1737.3.

10 d. Platinum Coast has failed to respond to the Commissioner's inspection demand. On or
11 about June 19, 2008, pursuant to section 17405 of the Financial Code, the Commissioner demanded
12 in writing that Platinum Coast submit its books, papers, and affairs to the inspection of the
13 Commissioner's examiner. No response to the Commissioner's demand was ever received from
14 Platinum Coast.

15 2. Furthermore, the Commissioner finds that Platinum Coast has committed additional
16 violations of the Escrow Law, including the following:

17 a. Failure to comply with the bonding requirements of Financial Code section 17202 in
18 that effective May 29, 2008, Bond Number 41106275 issued by Platte River Insurance Company in
19 favor of Platinum Coast has expired and no replacement bond has been obtained in violation of
20 section 17202 of the Financial Code.

21 b. Failure to submit its annual audit report for its fiscal year ended December 31, 2007.
22 Platinum Coast's annual audit report was due to the Commissioner on or before April 15, 2008.
23 Despite having sent it two reminder letters, the Commissioner never received Platinum Coast's annual
24 audit report in violation of section 17406 of the Financial Code.

25 3. The Commissioner has demanded that Platinum Coast cure the defects described
26 above; however, Platinum Coast remains in violation of the above-cited provisions of the Financial
27 Code.

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4. California Financial Code section 17621 provides in pertinent part:
- Whenever it appears to the Commissioner that any escrow agent subject to this division:
- ...
 - (b) Is conducting escrow business in an unsafe and unauthorized manner;
 - (c) Has violated its charter or any law of the State of California;
 - (d) Refuses to submit its books, papers and affairs to the inspection of any examiner;
 - ...
 - (i) Has failed to comply with the bonding requirements of Chapter 2 of this division

the commissioner shall dispatch a written notice and summary of findings, as referred to in Section 17415, to the principal officer of the escrow agent involved or to its manager of record; and such escrow agent shall be afforded a reasonable opportunity to comply or otherwise effect such remedies as the commissioner may deem acceptable. However, should the escrow agent so notified fail to comply within five days of receipt of the notice, or as soon as it appears to the commissioner that no compliance is possible, or in the event prompt delivery of the prescribed written notice is impossible, the commissioner may forthwith take possession of the property and business of such escrow agent and retain possession until such escrow agent resumes business or its affairs be finally liquidated as provided in this chapter. The escrow agent, with the consent of the commissioner, may resume business upon such conditions as the commissioner may prescribe.

5. Based upon the foregoing, the Commissioner finds that Platinum Coast has violated Financial Code sections 17202, 17213.1, 17404, 17405, 17406 and California Code of Regulations, title 10, sections 1732.2 and 1737.3, and is conducting escrow business in an unsafe and unauthorized manner, such that no compliance is possible.

Dated: October 9, 2008

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Acting Deputy Commissioner
Enforcement Division