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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 2569
)
)
QUICKSILVER ESCROW, INC.)
)
a licensee under the Escrow Law)
)

ORDER TO DISCONTINUE ESCROW ACTIVITIES PURSUANT
TO SECTION 17415, CALIFORNIA FINANCIAL CODE

TO: QUICKSILVER ESCROW, INC.
5750 Division Street, Suite 100
Riverside, CA 92506

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

QUICKSILVER ESCROW, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective March 4, 2011, Bond No. FS2874214 issued by GREAT AMERICAN INSURANCE COMPANY in favor of QUICKSILVER ESCROW, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, QUICKSILVER ESCROW, INC. is conducting escrow business
2 in violation of Section 17202 of the Financial Code and is conducting business in an unsafe and
3 injurious manner as to render further operations hazardous to the public or to customers.

4 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
5 THEREFORE, it is hereby ORDERED, under the provisions of Section 17415 of the California
6 Financial Code, that QUICKSILVER ESCROW, INC. immediately discontinue acceptance of any
7 new escrow or joint control business, and of money, documents or other property in connection
8 therewith.

9 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

10 Section 17415 of the Financial Code provides as follows:

11 (a) If the commissioner, as a result of any examination or from
12 any report made to him or her, shall find that any person subject to this
13 division is in an insolvent condition, is conducting business in such an
14 unsafe or injurious manner as to render further operations hazardous to the
15 public or to customers, has failed to comply with the provisions of Section
16 17212.1 or 17414.1, has permitted its tangible net worth to be lower than
17 the minimum required by law, has failed to maintain its liquid assets in
18 excess of current liabilities as set forth in Section 17210, or has failed to
19 comply with the bonding requirements of Chapter 2 (commencing with
20 Section 17200) of this division, the commissioner may, by an order
21 addressed to and served by registered or certified mail or by personal
22 service on such person and on any other person having in his or her
23 possession or control any escrowed funds, trust funds or other property
24 deposited in escrow with said person, direct discontinuance of the
25 disbursement of trust funds by the parties or any of them, the receipt of
26 trust funds, the delivery or recording of documents received in escrow, or
27 other business operations. No person having in his or her possession any of
28 these funds or documents shall be liable for failure to comply with the
order unless he or she has written notice of the order. Subject to
subdivision (b), the order shall remain in effect until set aside by the
commissioner in whole or in part, the person has been adjudged bankrupt,
or pursuant to Chapter 6 (commencing with Section 17621) of this division
the commissioner has assumed possession of the escrow agent.

(b) Within 15 days from the date of any order pursuant to
Subdivision (a), the person may request a hearing under the Administrative
Procedure Act, Chapter 5 (commencing with Section 11500) of Division 3
or Title 2 of the Government Code. Upon receipt of a request, the matter
shall be set for hearing to commence within 30 days after such receipt
unless the person subject to this division consents to a later date. If no

1 hearing is requested 15 days after the mailing or service of such notice and
2 none is ordered by the commissioner, the failure to request a hearing shall
3 constitute a waiver of the right to a hearing. Neither the request for a
4 hearing nor the hearing itself shall stay the order issued by the
5 commissioner under subdivision (a).

6 Dated: March 4, 2011
7 Los Angeles, California

8 Preston DuFauchard
9 California Corporations Commissioner

10 By _____
11 Kathleen R. Partin
12 Special Administrator
13 (213) 576-7595
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1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 MARLOU de LUNA (CA BAR NO. 162259)
Sr. Corporations Counsel
4 DEPARTMENT OF CORPORATIONS
320 West 4th Street, Suite 750
5 Los Angeles, California 90013-2344
Telephone: 213-576-7606
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11 In the Matter of the Accusation) File No.: 963-2569
of THE CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13 Complainant,)
14 v.)
15 QUIKSILVER ESCROW, INC.,)
16 Respondent.)
17)
18)
19)
20)

21 The California Corporations Commissioner (“Complainant” or “Commissioner”) is informed
22 and believes and based upon such information and belief, alleges and charges as follows:

23 I.

24 Respondent Quiksilver Escrow, Inc. (“Respondent” or “Quiksilver”) is an escrow agent
25 licensed by the Commissioner pursuant to the Escrow Law of the State of California (Fin. Code, §
26 17000 et seq.) (“Escrow Law”). Respondent has its principal place of business located at 5750
27 Division Street, Suite 100, Riverside, California 92506.

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II.

Financial Code section 17210, subdivision (a) requires all licensees under the Escrow Law to maintain at all times a tangible net worth of fifty thousand dollars (\$50,000), including liquid assets of at least twenty-five thousand dollars (\$25,000) in excess of current liabilities.

A review of Respondent’s annual report of May 31, 2010, indicated a liquid asset deficit of \$111,185.00 and a tangible net worth deficit of \$114,755.00. A regulatory examination was commenced in November 2010. The examination disclosed that as of October 31, 2010, Respondent continued to be deficient in both liquid asset and tangible net worth.

On or about January 4, 2011, Complainant notified Respondent in writing about the deficiencies. Respondent was required to correct the deficiencies and provide the Commissioner with proof of correction within 30 days. Respondent failed to respond to the Commissioner’s letter.

III.

Financial Code section 17202, subdivision (a) requires all escrow agent licensees to maintain a bond in the minimum amount of \$25,000.00.

On March 4, 2011, Bond No. FS2874214 issued by Great American Insurance Company in favor of Quiksilver Escrow expired and no replacement bond has been obtained.

In light of the cancellation of the surety bond the Commissioner issued the Order To Discontinue Escrow Activities Pursuant To Section 17415, California Financial Code (“Order”).

IV.

Financial Code section 17213.1 requires an escrow agent’s business not be removed from the premises or address shown on the license without prior approval of the Commissioner.

On or about March 8, 2011, Corporations Examiner Lulu Tesfaye (“Tesfaye”) visited Quiksilver’s licensed location at 5750 Division Street, Suite 100, Riverside, California 92506 in order to serve the Order. However, Tesfaye found Quiksilver was closed. Subsequently, the Order was served to an employee of an affiliate company in the same building, specifically at 5750 Division Street, Suite 101, Riverside, California 92506. No further response has been received from Respondent.

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Quiksilver has moved or closed its business without notification and/or approval of the Commissioner in violation of Financial Code section 17213.1.

V.

Financial Code section 17608 provides, in relevant part:

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

(a) The licensee has failed to maintain in effect a bond required under the provision of this division.

(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 . . .

Complainant finds that, by reason of the foregoing, Quiksilver has violated Financial Code sections 17210, subdivision (a), 17202, subdivision (a), and 17213.1, all of which are grounds for revocation of its escrow agent’s license under Financial Code section 17608. Accordingly, it is in the best interest of the public that Quiksilver’s escrow agent’s license be revoked.

Dated: September 1, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
MARLOU de LUNA
Sr. Corporations Counsel
Enforcement Division

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 MARLOU de LUNA (CA BAR NO. 162259)
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7 Attorneys for Complainant

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

11 In the Matter of the Accusation
of THE CALIFORNIA CORPORATIONS
12 COMMISSIONER,

) File No.: 963-2569

13 Complainant,

) **ORDER REVOKING ESCROW AGENT’S
LICENSE**

14 v.

15 QUIKSILVER ESCROW, INC.,

16 Respondent.
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18

19
20 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) finds
21 that:

- 22 1. The Commissioner issued an escrow license to Respondent Quiksilver Escrow, Inc.
23 (“Respondent”) pursuant to the Escrow Law of the State of California (Fin. Code, § 17000 et seq.).
24 2. Respondent had its principal place of business located at 5750 Division Street, Suite
25 100, Riverside, California 92506.
26 3. Respondent violated Financial Code section 17210, subdivision (a). A review of
27 Respondent’s annual report of May 31, 2010 showed a liquid asset deficiency of \$111,185.00 and a
28 tangible net worth deficiency of \$114,755.00. A regulatory examination was commenced in
November

1
2 2010. The examination disclosed that as of October 31, 2010, Respondent's liquid asset and tangible
3 net worth remained deficient.

4 4. On or about January 4, 2011, Complainant notified Respondent in writing about the
5 deficiencies. Respondent was required to correct the deficiencies and provide the Commissioner
6 with proof of correction within 30 days. Respondent failed to respond to the Commissioner's letter.

7 5. Respondent violated Financial Code section 17202, subdivision (a). On March 4,
8 2011, Bond No. FS2874214 issued by Great American Insurance Company in favor of Respondent
9 expired and the bond has not been reinstated or replaced. In light of the cancellation of the surety
10 bond, the Commissioner issued the Order To Discontinue Escrow Activities Pursuant To Section
11 17415, California Financial Code ("Order").

12 6. Respondent violated Financial Code section 17213.1. On or about March 8, 2011,
13 Corporations Examiner Lulu Tesfaye ("Tesfaye") visited Respondent's licensed location at 5750
14 Division Street, Suite 100, Riverside, California 92506 in order to serve the Order. However,
15 Tesfaye found Respondent's business was closed. Subsequently, the Order was served to an
16 employee of an affiliate company in the same building, specifically at 5750 Division Street, Suite
17 101, Riverside, California 92506. No further response has been received from Respondent.

18 7. On September 1, 2011, the Commissioner filed the Notice of Intention to Issue Order
19 Revoking Escrow Agent License, the Accusation, and all related documents. On September 2, 2011,
20 Respondent was served the notice of intention to revoke its escrow agent license, the Accusation,
21 and all related documents. The Commissioner has not received a request for a hearing from
22 Respondent, and the time within which to request a hearing has expired.

23 8. Complainant finds that, by reason of the foregoing, Respondent has violated Financial
24 Code sections 17210, subdivision (a), 17202, subdivision (a), and 17213.1, all of which are grounds
25 for revocation of its escrow agent's license under Financial Code section 17608.

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THEREFORE, pursuant to Financial Code section 17608, the escrow license issued to Respondent Quiksilver Escrow, Inc is hereby revoked. This Order is effective as of the date hereof.

Dated: October 13, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner