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5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9 In the Matter of THE CALIFORNIA)
10 CORPORATIONS COMMISSIONER,)

File No.: 963-1942

11 Complainant,)

**ORDER IMPOSING PENALTIES
PURSUANT TO CALIFORNIA FINANCIAL
CODE SECTION 17408**

12 v.)
13)

14 ROSE ESCROW, INC.,)

15 Respondent.)
16)
17)

18 TO: ROSE ESCROW, INC.
5504 Van Nuys Boulevard
19 Sherman Oaks, California 91401

20 NOW THEREFORE the California Corporations Commissioner ("Commissioner") having
21 found that Rose Escrow, Inc. ("Rose Escrow") failed to timely file its annual audit report containing
22 audited financial statements ("annual audit report") for its fiscal year ended April 30, 2011 as
23 required by Financial Code section 17406, it is hereby ordered, pursuant to Financial Code section
24 17408, that Rose Escrow pay the Commissioner the sum of \$1,000.00.

25 Pursuant to Financial Code section 17406, Rose Escrow was required to submit its annual
26 audit report for the fiscal year ended April 30, 2011 to the Commissioner on or before August 15,
27 2011.

28 On or about March 9, 2011, the Commissioner notified Rose Escrow in writing that its annual

1 audit report was due by August 15, 2011. The Commissioner also notified Rose Escrow that its
2 failure to file the annual audit report by August 15, 2011 could result in the imposition of fines
3 calculated at \$100.00 per day for the first five days the report is overdue and \$500.00 per day
4 thereafter in accordance with the provisions of section 17408 of the Financial Code.

5 Rose Escrow failed to submit its 2011 annual audit report to the Commissioner by August 15,
6 2011.

7 On or about August 23, 2011, the Commissioner issued a written 10-Day Demand for Annual
8 Report (“Demand”) that was due on August 15, 2011. According to the Commissioner’s Demand, if
9 the annual audit report was not received within 10 days of the date of the Demand, penalties would
10 begin to accrue against Rose Escrow in accordance with section 17408 of the Financial Code.

11 On or about September 6, 2011, 22 days from the expiration of the Demand, Rose Escrow
12 filed its annual audit report.

13 Rose Escrow has a history of filing its annual audit report late. In 2010, it filed its annual
14 audit report 79 days late and in 2009, its annual audit report was 204 days late. There was no action
15 taken for the late filing in 2010, since Rose Escrow was going through a stock transfer. Instead, the
16 new owners provided to the Commissioner a letter of assurance that they understood that future
17 reports would have to be filed on time. Yet despite previous warnings and a written assurance from
18 the new owners, Rose Escrow’s annual audit report for 2011 was filed late.

19 Financial Code section 17408, in relevant parts provides as follows:

20 (b) The commissioner may impose, by order, a penalty on any person who
21 fails, within the time specified in any written demand of the commissioner, (1)
22 to make and file with the commissioner any report required by law or
23 requested by the commissioner . . . The amount of the penalty may not exceed
24 one hundred dollars (\$100) for each day for the first five days the report or
information is overdue, and thereafter may not exceed five hundred dollars
(\$500) for each day the report or information is overdue.

25 (c) If, after an order has been made under subdivision (b), a request for
26 hearing is filed in writing within 30 days of the date of service of the order by
27 the person to whom the order was directed, a hearing shall be held in
28 accordance with the Administrative Procedure Act, Chapter 5 (commencing
with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code,
and the commissioner shall have all the powers granted under that chapter.

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(d) If the person fails to file a written request for a hearing within 30 days of the date of service of the order, the order imposing the penalty shall be deemed a final order of the commissioner, and the penalty shall be paid within five business days.

(e) If a hearing is requested, the penalty shall be paid within five business days after the effective date of any decision in the case ordering payment to be made.

DATED: March 14, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 1942
)
)
ROSE ESCROW, INC.)
)
a licensee under the Escrow Law)
)

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

TO: ROSE ESCROW, INC.
5504 Van Nuys Boulevard
Sherman Oaks, CA 91401

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

ROSE ESCROW, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective March 27, 2010, Bond No. FS0761367 issued by GREAT AMERICAN INSURANCE COMPANY in favor of ROSE ESCROW, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, ROSE ESCROW, INC. is conducting escrow business in
2 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 ROSE ESCROW, INC. immediately discontinue acceptance of any new
7 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 29, 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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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE COMMISSIONER OF)	Case No.: 963-1942
CORPORATIONS OF THE STATE OF)	
CALIFORNIA,)	ORDER SETTING ASIDE ORDER TO
)	DISCONTINUE ESCROW ACTIVITIES
Complainant,)	PURSUANT TO CALIFORNIA FINANCIAL
)	CODE SECTION 17415
vs.)	
)	
ROSE ESCROW, INC.)	
)	
)	
Respondent)	
)	

TO: ROSE ESCROW, INC.
5504 Van Nuys Boulevard
Sherman Oaks, CA 91401

NOW, THEREFORE, the California Corporations Commissioner having found ROSE ESCROW, INC. as complied with bonding requirements of the Escrow Law, Financial Code Section 17202 as of April 11, 2011, the Order to Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued on March 29, 2011 is hereby set aside as of April 11, 2011.

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1 Dated: Los Angeles, California
2 April 11, 2011

3 Preston DuFauchard
4 California Corporations Commissioner

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6 By _____
7 Kathleen R. Partin
8 Special Administrator
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of)	File No.: 963 1942
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)	
ROSE ESCROW, INC.)	
)	
a licensee under the Escrow Law)	
)	

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

TO: ROSE ESCROW, INC.
20201 Sherman Way #208
Winnetka, CA 91306

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

ROSE ESCROW, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective March 31, 2010, Bond No. FS2874276 issued by GREAT AMERICAN INSURANCE COMPANY in favor of ROSE ESCROW, INC. expired and no replacement bond has been obtained.

1 Based upon the foregoing, ROSE ESCROW, INC. is conducting escrow business in
2 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 ROSE ESCROW, INC. immediately discontinue acceptance of any new
7 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: April 1, 2010
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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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of THE COMMISSIONER OF)	Case No.: 963-1942
CORPORATIONS OF THE STATE OF)	
CALIFORNIA,)	ORDER SETTING ASIDE ORDER TO
)	DISCONTINUE ESCROW ACTIVITIES
Complainant,)	PURSUANT TO CALIFORNIA FINANCIAL
)	CODE SECTION 17415
vs.)	
)	
ROSE ESCROW, INC.)	
)	
)	
Respondent)	
)	

TO: ROSE ESCROW, INC.
20201 Sherman Way #208
Winnetka, CA 91306

NOW, THEREFORE, the California Corporations Commissioner having found ROSE ESCROW, INC. as complied with bonding requirements of the Escrow Law, Financial Code Section 17202 as of April 22, 2010, the Order to Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued on April 1, 2010 is hereby set aside as of April 22, 2010.

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1 Dated: Los Angeles, California
2 April 22, 2010

3 Preston DuFauchard
4 California Corporations Commissioner

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6 By _____
7 Kathleen R. Partin
8 Special Administrator
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