

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the matter of) File No.: 963 1295
)
)
SHEKINAH ESCROW, INC.)
)
a licensee under the Escrow Law)
)

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

TO: SHEKINAH ESCROW, INC.
428 East Florence Avenue
Inglewood, California 90301

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

SHEKINAH ESCROW, INC. has failed to comply with the bonding requirements of the Escrow Law (California Financial Code, Section 17202) in that effective May 4, 2011, Bond No.169117 issued by American Contractors Indemnity Company in favor of SHEKINAH ESCROW, INC. expired and no replacement bond has been obtained.

/
/
/

1 Based upon the foregoing, SHEKINAH 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 SHEKINAH 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: May 18, 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
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6 Fax: (619) 525-4045

7 Attorneys for Complainant

8

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

11 In the Matter of THE CALIFORNIA)
12 CORPORATIONS COMMISSIONER,) File No.: 963-1295
13 Complainant,) **ACCUSATION**
14)
15 v.)
16 SHEKINAH ESCROW, INC.,)
17 Respondent.)
18 _____)

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

21 **I.**

22 Respondent Shekinah Escrow, Inc. ("Shekinah Escrow") is an escrow agent licensed by the
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow
24 Law of the State of California (California Financial Code §§ 17000 et seq.) ("California Escrow
25 Law"). Shekinah Escrow has its principal place of business located at 428 East Florence Avenue,
26 Inglewood, California 90301.

27 ///

28 ///

II.

Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("annual audit report") within one hundred five (105) days after the close of their fiscal year. Shekinah Escrow's fiscal year-end is September 30th. Accordingly, Shekinah Escrow was required to file its annual audit report for the fiscal year ended September 30, 2010, on or before January 15, 2011.

On or about August 10, 2010, the Commissioner notified Shekinah Escrow in writing that its annual audit report was due by January 15, 2011. The Commissioner further notified Shekinah Escrow of the fact that its failure to file its annual report by January 15, 2011 could result in the suspension or revocation of its escrow agent's license.

Shekinah Escrow failed to submit its annual audit report to the Commissioner. On or about February 10, 2011, the Commissioner issued a written demand for the imposition of penalties against Shekinah Escrow concerning the annual audit report that was due on January 15, 2011. Again, the Commissioner notified Shekinah Escrow that its failure to file its annual report within 10 days could result in the suspension or revocation of its escrow agent's license. Shekinah Escrow has yet to file the annual audit report as required under California Financial Code section 17406.

Pursuant to California Financial Code section 17202, all licensees must maintain a surety bond in the minimum amount of \$25,000. On May 4, 2011, Shekinah Escrow's surety bond canceled. On May 18, 2011, the Commissioner issued an Order to Discontinue Escrow Activities to Shekinah Escrow. The Order to Discontinue Escrow Activities was served upon Shekinah Escrow on May 20, 2011. Shekinah Escrow has yet to provide the Commissioner with proof of bond replacement or reinstatement as required by California Financial Code section 17202.

III.

Financial Code section 17608 provides in pertinent part as follows:

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 provisions 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.

IV.

PRAYER FOR ORDER REVOKING ESCROW AGENT’S LICENSE PURSUANT TO FINANCIAL CODE SECTION 17608

The Complainant finds that, by reason of the foregoing, Shekinah Escrow, Inc. has violated California Financial Code sections 17406 and 17202, which constitute grounds for the revocation of its escrow agent's license pursuant to California Financial Code section 17608.

WHEREFORE, IT IS PRAYED that the escrow agent's license of Shekinah Escrow, Inc. be revoked pursuant to California Financial Code section 17608.

Dated: August 1, 2011
San Diego, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
AFSANEH EGHBALDARI
Corporations Counsel

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6 Fax: (619) 525-4045

7 Attorneys for Complainant

8

9

BEFORE THE DEPARTMENT OF CORPORATIONS

10

OF THE STATE OF CALIFORNIA

11

In the Matter of THE CALIFORNIA
12 CORPORATIONS COMMISSIONER,

) File No.: 963-1295
)
)

13

Complainant,

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

14

v.

15

16

SHEKINAH ESCROW, INC.,

17

Respondent.

18

19

TO: SHEKINAH ESCROW, INC.

20

21

NOW THEREFORE the California Corporations Commissioner ("Commissioner") having
22 found that Shekinah Escrow, Inc. ("Shekinah Escrow") failed to timely file its annual audit report
23 containing audited financial statements for its fiscal year ended September 30, 2010 as required by
24 California Financial Code section 17406, it is hereby ordered, pursuant to California Financial Code
25 section 17408, that Shekinah Escrow pay the Commissioner the sum of seventy nine thousand dollars
26 (\$79,000), as of the date of this Order, and said penalties shall continue to accrue at the rate of five
27 hundred dollars (\$500) per day until the report is filed.

28

1 Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are
2 required to file an annual audit report containing audited financial statements ("annual audit report")
3 within one hundred five (105) days after the close of their fiscal year. Shekinah Escrow's fiscal year-
4 end is September 30th. Accordingly, Shekinah Escrow was required to file its annual audit report for
5 the fiscal year ended September 30, 2010, on or before January 15, 2011.

6 On August 10, 2010, the Commissioner notified Shekinah Escrow in writing that its annual
7 audit report was due by January 15, 2011. The Commissioner further notified Shekinah Escrow of
8 the fact that its failure to file an annual report by January 15, 2011 could result in the imposition of
9 penalties calculated at \$100 per day for the first five days the report is overdue and \$500 per day
10 thereafter, in accordance with the provisions of section 17408 of the California Financial Code.

11 Shekinah Escrow failed to submit its annual audit report to the Commissioner. On February
12 10, 2011, the Commissioner issued a written demand for the imposition of penalties against Shekinah
13 Escrow concerning the annual audit report that was due on January 15, 2011. According to the
14 Commissioner's demand letter, if the annual audit report was not received before February 20, 2011,
15 penalties would begin to accrue against Shekinah Escrow in accordance with section 17408 of the
16 California Financial Code.

17 Shekinah Escrow has yet to file its annual audit report as required under California Financial
18 Code section 17406. Shekinah Escrow's annual audit report is one hundred sixty-two (162) days late,
19 as of the date of this Order. Accordingly, pursuant to California Financial Code section 17408,
20 Shekinah Escrow owes the Commissioner penalties in the amount of seventy nine thousand dollars
21 (\$79,000), calculated at one hundred dollars (\$100) per day for the first five days the report was
22 overdue and five hundred dollars (\$500) per day thereafter.

23 Financial Code section 17408, subdivisions (b) - (e) provide as follows:

24 (b) The commissioner may impose, by order, a penalty on any person who
25 fails, within the time specified in any written demand of the commissioner, (1)
26 to make and file with the commissioner any report required by law or
27 requested by the commissioner . . . The amount of the penalty may not exceed
28 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(c) If, after an order has been made under subdivision (b), a request for hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in 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.

(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: August 1, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 AFSANEH EGHBALDARI (CA. BAR NO. 250107)
Corporations Counsel
4 1350 Front Street, #2034
San Diego, California 92101
5 Telephone: (619) 645-3166

6 Attorneys for Complainant

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

10 THE CALIFORNIA CORPORATIONS) File No. 963-1295
11 COMMISSIONER,)
12)
Complainant,) **ORDER REVOKING ESCROW AGENT’S**
13 vs.) **LICENSE PURSUANT TO CALIFORNIA**
14) **FINANCIAL CODE SECTION 17608**
15)
16 SHEKINAH ESCROW, INC.,)
17 Respondent.)

18
19 The California Corporations Commissioner (“Commissioner”) finds that:

20 **I.**
21 **INTRODUCTION**

22 1. Respondent SHEKINAH ESCROW, INC. (“SHEKINAH”) is an escrow agent
23 licensed by the Commissioner pursuant to the Escrow Law of the State of California (California
24 Financial Code Section 17000 *et seq.*).

25 2. SHEKINAH had its principal place of business located at 428 East Florence Avenue,
26 Inglewood, California 90301.
27
28

II.

VIOLATIONS OF THE ESCROW LAW

1
2
3 3. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
4 required to file an annual audit report containing audited financial statements ("annual audit report")
5 within one hundred five (105) days after the close of their fiscal year. SHEKINAH was required to
6 file its annual audit report for the fiscal year ended September 30, 2010, on or before January 15,
7 2011.

8 4. On August 10, 2010, the Commissioner notified SHEKINAH in writing that its
9 annual audit report was due by January 15, 2011. The Commissioner further notified SHEKINAH
10 that its failure to file its annual report by January 15, 2011 could result in the suspension or
11 revocation of its escrow agent's license. SHEKINAH failed to submit its annual audit report to the
12 Commissioner.

13 5. On February 10, 2011, the Commissioner issued a written demand for the imposition
14 of penalties against SHEKINAH concerning the annual audit report that was due on January 15,
15 2011. Again, the Commissioner notified SHEKINAH that its failure to file its annual report within
16 10 days could result in the suspension or revocation of its escrow agent's license. SHEKINAH
17 failed to file its annual audit report, as required by Financial Code section 17406.

18 6. Pursuant to Financial Code section 17202, all licensees must maintain a surety bond
19 in the minimum amount of \$25,000. On May 4, 2011, SHEKINAH's surety bond canceled. On
20 May 18, 2011, the Commissioner issued an Order to Discontinue Escrow Activities to SHEKINAH.
21 The Order to Discontinue Escrow Activities was served upon SHEKINAH on May 20, 2011.
22 SHEKINAH failed to provide the Commissioner with proof of bond replacement or reinstatement, as
23 required by Financial Code section 17202.

24 7. On August 1, 2011, the Commissioner issued his Notice of Intention to Issue Order
25 Revoking Escrow Agent's License, Accusation and accompanying documents (collectively,
26 "Accusation") against SHEKINAH. On August 3, August 8, and August 18, 2011, the Accusation
27 was served, via certified mail return-receipt requested, upon SHEKINAH. The return receipts show
28 that SHEKINAH received the Accusation on August 18 and August 22, 2011.

1 8. SHEKINAH did not request a hearing and the time to request a hearing has expired.

2 **III.**

3 **APPLICABLE CALIFORNIA ESCROW LAW**

4 Financial Code section 17608 provides:

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

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

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

11 (c) Any fact or condition exists which, if it had existed at the time of the original
12 application for such license, reasonably would have warranted the commissioner in
13 refusing originally to issue such license.

14 **IV.**

15 **PRAYER FOR ORDER REVOKING ESCROW AGENT’S LICENSE PURSUANT TO**
16 **FINANCIAL CODE SECTION 17608**

17 The Commissioner finds that, by reason of the foregoing, SHEKINAH ESCROW, INC. has
18 violated Financial Code sections 17406 and 17202, and it is in the best interest of the public to
19 revoke the escrow agent’s license of SHEKINAH ESCROW, INC.

20 NOW GOOD CAUSE APPEARING THEREFORE, pursuant to Financial Code section
21 17608, the escrow agent’s license issued to SHEKINAH ESCROW, INC. is hereby revoked. This
22 order is effective as of the date hereof.

23 Dated: September 19, 2011
24 Los Angeles, CA

25 PRESTON DuFAUCHARD
26 California Corporations Commissioner

27 By _____
28 ALAN S. WEINGER
Deputy Commissioner

1 PRESTON DuFAUCHARD
 California Corporations Commissioner
 2 ALAN S. WEINGER
 Deputy Commissioner
 3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
 Corporations Counsel
 4 Department of Corporations
 1350 Front Street, Room 2034
 5 San Diego, California 92101
 Telephone: (619) 645-3166
 6 Fax: (619) 525-4045

7 Attorneys for Complainant

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

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

File No.: 963-1295

13 Complainant,)

14) **ORDER SETTING ASIDE ORDER**
 15) **IMPOSING PENALTIES PURSUANT TO**
 16) **CALIFORNIA FINANCIAL CODE**
 17) **SECTION 17408**

15 v.)

16 SHEKINAH ESCROW, INC.,)

17 Respondent.)

18)
 19)
 20 GOOD CAUSE APPEARING, the Order Imposing Penalties Pursuant To California
 21 Financial Code Section 17408 issued to SHEKINAH ESCROW, INC. (“SHEKINAH”) on August 1,
 22 2011 for failure to timely file its annual audit report is hereby set aside without prejudice.

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Nothing contained in this Order shall be construed as vacating the Commissioner's Order
Revoking Escrow Agent's License issued to SHEKINAH ESCROW, INC. on September 19, 2011.

DATED: September 30, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner