

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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6 Attorneys for Complainant

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

11 CALIFORNIA CORPORATIONS)	File No.: 963-2267
12 COMMISSIONER,)	
)	AMENDED ACCUSATION
13 Complainant,)	
)	
14 vs.)	
)	HEARING DATE: August 15, 2008
15 SIMPLY ESCROW, INC.,)	TIME: 10:00 a.m.
)	LOCATION: OAH San Diego
16 Respondent.)	
)	
)	

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

21 I

22 Simply Escrow, Inc. ("Respondent" or "Simply Escrow") is an escrow agent licensed by the
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow
24 Law, California Financial Code Section 17000 *et seq.* Respondent's license was issued on October
25 25, 2005.

26 II

27 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
28 file an annual audit report containing audited financial statements ("audit report") within one

1 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is
2 December 31. Accordingly, Respondent was required to file its 2006 audit report on or before April
3 15, 2007. Respondent was required to file its 2007 audit report on or before April 15, 2008.

4 On or about November 14, 2006, Complainant notified Respondent in writing that its 2006
5 audit report was due April 15, 2007. Respondent failed to file the audit report by April 15, 2007.

6 On or about May 15, 2007, a follow up letter was sent to Respondent concerning its failure to
7 file the audit report. Respondent was notified in the letter that failure to file the 2006 audit report
8 could result in assessment of penalties, a special examination and/or administrative action.

9 Respondent received Complainant’s letter on May 16, 2007.

10 Respondent has yet to file the 2006 audit report as required by Financial Code section 17406.

11 On or about November 13, 2007, Complainant notified Respondent in writing that its 2007
12 audit report was due April 15, 2008. Respondent failed to file the audit report by April 15, 2008.

13 On or about May 8, 2008, a follow up letter was sent to Respondent concerning its failure to
14 file the audit report. Respondent was notified in the letter that failure to file the 2007 audit report
15 could result in assessment of penalties, a special examination and/or administrative action.

16 Respondent received Complainant’s letter on May 9, 2008.

17 Respondent has yet to file the 2007 audit report as required by Financial Code section 17406.

18 III

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

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

24 Financial Code section 17608 provides in pertinent part:

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

27 ...

28 (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.

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IV

Complainant finds that, by reason of the foregoing, Respondent has repeatedly violated Financial Code section 17406, which constitutes grounds for the revocation of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be revoked pursuant to Financial Code sections 17602.5 and 17608.

Dated: July 10, 2008
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Joyce Tsai
Corporations Counsel