

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
4 Department of Business Oversight
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of THE) File No.: 963-2287
COMMISSIONER OF BUSINESS)
12 OVERSIGHT,) ACCUSATION
13)
Complainant,)
14)
vs.)
15)
16 TOPLINE ESCROW SERVICE, INC.,)
Respondent.)
17)
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 Topline Escrow Service, Inc. ("Topline") is an escrow agent licensed by the
23 Commissioner of Business Oversight ("Commissioner" or "Complainant") pursuant to the Escrow
24 Law of the State of California (California Financial Code Section 17000 et seq.). Topline had its
25 principal place of business located at 563 S. Brand Boulevard, San Fernando, California 91340.

26 II

27 On or about February 19, 2013, Topline submitted its escrow agent's license to the
28 Commissioner for surrender. On or about February 28, 2013, a letter was sent to Topline outlining

1 all the requirements for surrender of an escrow agent’s license, including submission to the
2 Commissioner of a closing audit prepared by a certified public accountant within 105 days of receipt
3 of the surrender request as required by Financial Code sections 17406(c) and 17600(b).

4 On or about May 24, 2013, Topline submitted a request for an unspecified extension. On or
5 about June 24, 2013, when no closing audit had still been received, the Commissioner gave written
6 notification to Topline that failure to file the closing audit within 10 days would result in an action to
7 revoke its escrow agent’s license. The Commissioner has yet to receive a closing audit from Topline
8 as required by Financial Code sections 17406(c) and 17600(b).

9 III

10 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
11 file an annual audit report containing audited financial statements (“audit report”) within one
12 hundred and five (105) days after the close of their fiscal year. The fiscal year end for Topline is
13 October 31. Accordingly, Topline was required to file its audit report on or before February 15,
14 2013.

15 On or about September 10, 2012, the Commissioner notified Topline in writing that its audit
16 report was due February 15, 2013. Topline failed to file the audit report by February 15, 2013.

17 On or about February 19, 2013, Topline submitted its license for surrender as described in
18 Section II above. Topline has never submitted a closing audit pursuant to Financial Code sections
19 17406(c) and 17600(b). As such, Topline was obligated to submit an audit report for the fiscal year
20 end October 31, 2012 pursuant to Financial Code section 17406(a).

21 Respondent has yet to submit the audit report as required by Financial Code section 17406.

22 IV

23 California Financial Code section 17608 provides in pertinent part:

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

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

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V

Complainant finds that, by reason of the foregoing, Respondent Topline Escrow Service, Inc. has violated Financial Code sections 17406(a), 17406(c) and 17600(c), which constitutes grounds for the revocation of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the escrow agent’s license of Respondent Topline Escrow Service, Inc. be revoked.

Dated: October 4, 2013
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Judy L. Hartley
Senior Corporations Counsel
Enforcement Division