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California Corporations Commissioner
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No.: 963-2205
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14 Complainant,)
15 vs.)
16 WHITTIER ESCROW, INC.,)
17 Respondent.)
18)

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20 The Complainant, California Corporations Commissioner (“Complainant” or
21 “Commissioner”) is informed and believes and based upon such information and belief, alleges and
22 charges as follows:
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25 Whittier Escrow, Inc. (“Respondent” or “Whittier Escrow”) is an escrow agent licensed by
26 the Commissioner pursuant to the Escrow Law of the State of California (California Financial Code
27 section 17000 *et seq.*).
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II

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements (“audit report”) within one hundred and five (105) days after the close of their designated fiscal year. Respondent’s fiscal year ended on September 30, 2008. Accordingly, Respondent was required to file its audit report on or before January 13, 2009.

On or about August 11, 2008, Complainant notified Respondent in writing that it had until January 15, 2009, an additional two days, to file its audit report. Respondent, however, failed to file its audit report.

On or about February 19, 2009, a follow-up letter was sent to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file the audit report within ten (10) days of the date of the letter will result in Respondent being assessed \$100 per day for each day the audit report is overdue, in addition to a potential special examination, suspension and/or revocation of its escrow agent’s license.

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

III

Financial Code section 17602.5 provides in pertinent part as follows:

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

In addition, Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:...(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 violated Financial Code section 17406, by failing to file its 2008 fiscal year audit report, which constitutes grounds under Financial Code sections 17602.5 and 17608, for the suspension of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended until such time as Respondent files its audit report for the fiscal year end September 30, 2008 or for a period of 30 days, whichever period is greater.

Dated: October 20, 2009
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Lindsay B. Herrick
Corporations Counsel