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7 Attorneys for Complainant

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

10  
11 In the Matter of: )  
 ) ESCROW LICENSE NO.: 963-2636  
12 THE COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, ) ORDER IMPOSING PENALTIES PURSUANT  
 ) FINANCIAL CODE SECTION 17408  
14 Complainant, )  
 )  
15 v. )  
 )  
16 NEVAEH’S ESCROW, INC., )  
17 )  
18 Respondent. )  
19 )

20 TO: NEVAEH’S ESCROW, INC.  
21 12139 Mount Vernon Avenue, Suite 102  
22 Grand Terrace, California 92313

23 The Commissioner of Business Oversight finds that:

24 1. Respondent Nevaeh’s Escrow, Inc. (NEI) is an escrow agent licensed by the  
25 Commissioner of Business Oversight (Commissioner) pursuant to the Escrow Law of the State of  
26 California (Fin. Code § 17000 et seq.) (Escrow Law). NEI has its principal place of business located  
27 at 12139 Mt. Vernon Avenue, Suite 102, Grand Terrace, California 92313.

28 2. Pursuant to 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)

1 within one hundred and five (105) days after the close of their fiscal year. NEI’s fiscal year end is  
2 September 30. Accordingly, NEI was required to file its audit report for the fiscal year end  
3 September 30, 2018 (2018 annual audit report) on or before January 15, 2019.

4 3. On or about August 27, 2018, the Commissioner notified NEI in writing that its 2018  
5 annual audit report was due January 15, 2019. NEI failed to file the 2018 annual audit report by  
6 January 15, 2019.

7 4. On or about January 24, 2019, a follow up letter was sent to NEI concerning its  
8 failure to file the 2018 annual audit report. NEI was notified in the letter that failure to file to the  
9 2018 annual audit report within ten days of the date of the letter could result in assessment of  
10 penalties, a special examination and/or administrative action.

11 5. On or about February 8, 2019, an email was sent to NEI at its designated email  
12 address notifying NEI once again that the Department of Business Oversight (Department) had not  
13 received NEI’s 2018 annual audit report. A copy of the January 24, 2019 letter was attached to the  
14 email.

15 6. On or about February 8, 2019, NEI responded that it would get together with its CPA  
16 and bookkeeper. NEI was urged to file the 2018 annual audit report as soon as possible as NEI was  
17 being assessed penalties in the amount of \$100.00 a day for the first 5 days the annual audit report  
18 was overdue and thereafter, at a rate of \$500.00 a day for each day the annual audit report was  
19 overdue.

20 7. On or about February 21, 2019, NEI requested an extension until April 1, 2019 to  
21 submit its 2018 annual audit report. On or about February 22, 2018, the Department notified NEI in  
22 writing that its request for an extension was denied because NEI had already been allowed an  
23 extension to February 4, 2019.

24 8. NEI has yet to file its 2018 annual audit report as required by Financial Code section  
25 17406.1.

26 9. Financial Code Section 17408, subdivisions (b) – (e) provides as follows:

27 (b) The commissioner may impose, by order, a penalty on any person  
28 who fails, within the time specified in any written demand of the  
commissioner, (1) to make and file with the commissioner any report  
required by law or requested by the commissioner. . . . The amount of the

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penalty shall be one hundred dollars (\$100) for each day for the first five days the report or information is overdue and, thereafter, five hundred dollars (\$500) for each day the report or information is overdue.

(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 paid.

NOW THEREFORE the Commissioner having found that Nevaeh’s Escrow, Inc. failed to file its annual audit report containing audited financial statements for its fiscal year ended September 30, 2018 as required by Financial Code section 17406; Nevaeh’s Escrow, Inc. is hereby ordered, pursuant to Financial Code section 17408, to pay to the Commissioner the sum of \$6,000.00, plus an additional \$500.00 a day for each day after March 6, 2019 that the annual audit report is not filed.

Dated: April 4, 2019  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Mary Ann Smith  
Deputy Commissioner  
Enforcement Division