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

10  
11 In the Matter of: )  
 ) ESCROW LICENSE NO.: 963-7063  
12 THE COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, ) ACCUSATION  
 )  
14 Complainant, )  
 )  
15 v. )  
 )  
16 TUOLUMNE COUNTY ESCROW, INC., )  
17 )  
18 Respondent. )  
 )  
19 )

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

22 I.

23 **Introduction**

24 1. Respondent Tuolumne County Escrow, Inc. (Tuolumne) is an escrow agent licensed  
25 by the Commissioner of Business Oversight (Commissioner) pursuant to the Escrow Law of the  
26 State of California (Fin. Code § 17000 et seq.) (Escrow Law). Tuolumne has its licensed place of  
27 business located at 19889 Panorama Place South, Sonora, California 95370.  
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**II.**

**Failure to File Annual/Closing Audit Report**

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) within 105 days after the close of their fiscal year. Tuolumne’s fiscal year end is December 31. Accordingly, Tuolumne was required to file its audit report for the fiscal year end December 31, 2017 (2017 annual audit report) on or before April 16, 2018.

3. On or about November 17, 2017, the Commissioner notified Tuolumne in writing that its 2017 annual audit report was due to the Department of Business Oversight (Department) by April 16, 2018. Tuolumne failed to file the 2017 annual audit report by April 16, 2018.

4. On or about April 24, 2018, a follow-up letter was sent to Tuolumne concerning its failure to file the 2017 annual audit report. Tuolumne was notified in the letter that failure to file to the 2017 annual audit report within ten days of the date of the letter could result in assessment of penalties, a special examination and/or administrative action.

5. On or about May 7, 2018, an email was sent to Tuolumne at its designated email address notifying Tuolumne once again that the Department had not received Tuolumne’s 2017 annual audit report.

6. On or about May 9, 2018, Tuolumne contacted the Department and was informed of the 10-day demand letter concerning the failure of Tuolumne to file its 2017 annual audit report. Tuolumne stated that its certified public accountant (CPA) was too busy to prepare the 2017 annual audit report and it was planning to surrender its escrow agent license to the Department.

7. On or about May 16, 2018, a further email was sent to Tuolumne at its designated email address attaching the 10-day demand letter regarding the 2017 annual audit report.

8. On or about July 16, 2018, Tuolumne applied to the Department to surrender its escrow agent license.

9. On or about August 6, 2018, the Department notified Tuolumne in writing of the requirements for approval of its surrender application, which included a closing audit performed by a CPA to be filed within 105 days of the date of its surrender application.



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**IV.**

**Conclusion**

17. The Commissioner finds that, by reason of the foregoing, Tuolumne County Escrow, Inc. has violated Financial Code section 17406, and based thereon, it is in the best interests of the public to revoke the escrow agent license of Tuolumne County Escrow, Inc. pursuant to Financial Code section 17608.

**V.**

**Prayer**

WHEREFORE, IT IS PRAYED that:

Pursuant to Financial Code section 17608, the escrow agent license of Tuolumne County Escrow, Inc. be revoked.

Dated: November 8, 2019  
Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
Judy L. Hartley  
Senior Counsel  
Enforcement Division