

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN ROONEY  
Assistant Chief Counsel  
3 UCHE L. ENENWALI (State Bar No.: 235832)  
Senior Counsel  
4 Department of Business Oversight  
5 320 West 4<sup>th</sup> Street, Suite 750  
6 Los Angeles, California 90013-2344  
Telephone: (213) 576-7586  
7 Facsimile: (213) 576-7181

8 Attorneys for Complainant

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

11 In the Matter of:	)	
	)	ESCROW LICENSE NO: 9632371
12 THE COMMISSIONER OF BUSINESS	)	
13 OVERSIGHT,	)	ACCUSATION TO SUSPEND ESCROW
	)	AGENT LICENSE OF PARKFIELD ESCROW,
14 Complainant,	)	INC.,
15 v.	)	(Financial Code Section 17608)
16 PARKFIELD ESCROW, INC.,	)	
	)	
17 Respondent.	)	
	)	
	)	

19  
20 Manuel P. Alvarez, the Commissioner of Business Oversight (Commissioner), is  
21 informed and believes and based upon such information and belief, alleges and charges as follows:

22 **I.**

23 **Jurisdiction and Venue**

24 1. The Commissioner has jurisdiction over the licensing and regulation of persons and  
25 entities licensed under the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.) and  
26 the regulations promulgated under California Code of Regulations, title 10. (Cal. Code Regs., tit. 10,  
27 § 1700 et seq.)<sup>1</sup>

28  
<sup>1</sup> All subsequent statutory references are to the Financial Code unless otherwise specified.

1           2.       At all relevant times, Parkfield Escrow, Inc. (Parkfield) is, or was, an escrow agent  
2 licensed by the Commissioner pursuant to the Escrow Law, with the license no. 9632371.  
3 Parkfield’s principal place of business is located at 9220 Haven Avenue, Suite 120, Rancho  
4 Cucamonga, California 91730.

5           3.       Beginning about June 2012 to about February 2018, Parkfield maintained a branch  
6 escrow agent license at its branch office located at 12631 East Imperial Highway, Suite A213, Santa  
7 Fe Springs, California 90670, under the license no. 8631634 (Santa Fe Spring location). Parkfield  
8 surrendered its branch license for the Santa Fe Spring location in about February 2018.

9           4.       At all relevant times, Julian Lopez (Lopez) is, or was, the president of Parkfield.

10          5.       Pursuant to section 17210, escrow agent licensees must, at all times, maintain  
11 tangible net worth of at least \$50,000.00, including liquid assets of at least \$25,000.00 in excess of  
12 current liabilities. In the case of a licensed branch office, additional tangible net worth is required,  
13 and a licensee is required to maintain at a tangible net worth of at least \$75,000.00.

14          6.       Section 17406 requires escrow agents to file an annual report with the Department of  
15 Business Oversight (DBO) on or before 105th day after the end of the licensee’s fiscal year.

16          7.       The Commissioner brings this action for an order to suspend Parkfield’s escrow agent  
17 license pursuant to section 17608 for its repeated failure to comply with the tangible net worth and  
18 liquid asset requirements during the period of April 30, 2013 – April 30, 2017, in violation of section  
19 17210.

20                   **A. Parkfield failed to comply with the net worth requirements in 2013**

21          8.       In about August 2013, the Commissioner reviewed Parkfield’s annual audit report for  
22 the year ended April 30, 2013 observing that Parkfield had a liquid asset deficiency of \$14,102.00  
23 and a tangible net worth deficiency of \$13,627.00. Parkfield had two license locations from June  
24 2012 to February 2018, as such, it was required to maintain, at all times, a tangible net worth of  
25 \$75,000.00 pursuant to section 17210. As of April 30, 2013, Parkfield had a liquid asset deficiency  
26 of \$14,102.00 and a tangible net worth deficiency of \$13,627.00 thereby violating section 17210.

27          9.       On August 21, 2013, the Commissioner issued a written demand (August 2013  
28 demand) to Parkfield notifying Parkfield of its failure to meet the liquid asset and tangible net worth

1 requirements. The Commissioner's August 2013 demand further requested that Parkfield provide to  
2 the Commissioner proof of correction and its most current financial statements within 30 days from  
3 the date of the August 2013 demand.

4 10. The Commissioner did not receive a response to his August 2013 demand. On  
5 October 3, 2013, the Commissioner issued a second written demand dated October 3, 2013 (October  
6 2013 demand) to Parkfield requesting proof of corrective action within 15 days from the date of the  
7 October 2013 demand.

8 11. On October 9, 2013, Parkfield's Certified Public Accountant, Rammell & Company  
9 (Rammell) submitted Parkfield's August 31, 2013 financial statements to the Commissioner  
10 explaining that Parkfield's financial deficiencies had been corrected as of August 31, 2013.  
11 Parkfield's August 31, 2013 financial statements revealed it had a net income of \$122,189.63 and a  
12 loan receivable from an affiliated company in the amount of \$62,061.96. Parkfield's net liquid assets  
13 as of August 31, 2013 was \$119,088.00 and its tangible net worth was \$172,563.00. Accordingly,  
14 Parkfield satisfied the liquid asset and tangible net worth requirements following the  
15 Commissioner's August 2013 inquiry.

16 **B. Parkfield failed to comply with the net worth requirements in 2014**

17 12. A review of Parkfield's April 30, 2014 annual report filed with the Commissioner  
18 disclosed a liquid asset deficiency of \$14,915.00 and a tangible net worth deficiency of \$16,118.00,  
19 resulting in a violation of section 17210. Further review of Parkfield's April 30, 2014 balance sheet  
20 showed that Parkfield accumulated losses of \$15,875.00, and its net income had decreased from  
21 \$122,189.63 in August 2013 to \$1,009.00 in April 2014.

22 13. On March 5, 2015, the Commissioner issued a written demand (March 2015 demand)  
23 to Parkfield informing it of the net worth deficiencies noted in Parkfield's April 30, 2014 annual  
24 report. The March 2015 demand further requested that Parkfield provide proof of correction of the  
25 deficiencies and its most current financial statements within 30 days from the date of the 2015  
26 demand.

27 14. On April 6, 2015, Parkfield's escrow officer, Yami Vasquez, provided Parkfield's  
28 February 2015 financial statements to the Commissioner via email showing it corrected its financial

1 deficiencies. Parkfield's February 2015 financial statements showed it had a net income of  
2 \$81,101.05, and loan receivable from its affiliate company of \$95,757.01. As of February 28, 2015,  
3 Parkfield had net liquid assets of \$50,107.41 and tangible net worth of \$101,853.55. Accordingly,  
4 Parkfield satisfied the liquid asset and tangible net worth requirements following the  
5 Commissioner's April 30, 2014 inquiry.

6 **C. Parkfield failed to comply with the net worth requirements in 2015**

7 15. A review of Parkfield's April 30, 2015 annual report showed a liquid asset deficiency  
8 of \$26,460.00 and a tangible net worth deficiency of \$32,886.00. In addition, Parkfield's April 30,  
9 2015 audited financial statements showed Parkfield's net income for the fiscal year ended April 30,  
10 2015 was \$21,110.00, indicating a substantial drop from Parkfield's February 2015 net income of  
11 \$81,101.05.

12 16. On August 20, 2015, the Commissioner issued a written demand (August 2015  
13 demand) to Parkfield demanding proof of correction of the liquid asset and tangible net worth  
14 deficiencies and Parkfield's most current financial statements within 30 days from the day of the  
15 August 2015 demand.

16 17. On September 24, 2015, Rammell submitted to the Commissioner Parkfield's May  
17 2015 financial statements which showed it corrected the financial deficiencies noted in its April 30,  
18 2015 annual report. Parkfield's May 2015 financial statements disclosed a net liquid asset of  
19 \$68,780.00 and tangible net asset of \$117,330.55. Accordingly, Parkfield satisfied the liquid asset  
20 and tangible net worth requirements following the Commissioner's April 30, 2015 inquiry.

21 **D. Parkfield failed to comply with the net worth requirements in 2017**

22 18. Parkfield complied with the liquid asset and tangible net worth requirements in 2016,  
23 however, a review of its April 30, 2017 annual audit report disclosed a net worth deficiency of  
24 \$43,299.00, and tangible net worth deficiency of 57,432.00. Parkfield's financial statements for the  
25 April 30, 2017 showed it had loan receivables from an affiliate company totaling \$83,476.00.

26 19. On February 16, 2018, the Commissioner issued a written demand (February 2018  
27 demand) to Parkfield requesting it provide proof of correction of the liquid asset and tangible net  
28 worth deficiencies noted in its April 30, 2017 annual report, along with its most current financial

1 statements, within 30 days from the date of the February 2018 demand. The Commissioner did not  
2 receive a response to his February 2018 demand from Parkfield. On March 29, 2018, the  
3 Commissioner issued another written demand (March 2018 demand) to Parkfield demanding it  
4 provide proof of correction within ten days from the date of the March 2018 demand.

5 20. On April 5, 2018, Rammell submitted Parkfield's March 31, 2018 financial  
6 statements to the Commissioner. Parkfield's March 31, 2018 financial statements evidenced  
7 Parkfield's compliance with the liquid asset and tangible net worth requirements, showing a net  
8 income of \$60,899.33; net liquid assets of \$36,365.67; and a tangible net worth of \$79,427.94.

9 21. On August 15, 2018, Parkfield submitted its April 30, 2018 annual audit report,  
10 disclosing a liquid asset deficiency of \$22,533.00 and a tangible net worth deficiency of \$13,005.00,  
11 in violation of section 17210.

12 22. On September 26, 2018, Rammell provided Parkfield's August 2018 financial  
13 statements. Parkfield's August 2018 financial statements showed it corrected the financial  
14 requirement deficiencies noted in its April 30, 2018 annual report revealing net assets of \$32,373.20  
15 and tangible net worth of \$79,401.53.

## 16 II.

### 17 Applicable Law

18 23. Section 17210 provides in pertinent part:

- 19 (a) An escrow agent licensed on or after January 1, 1986, shall maintain at all  
20 times a tangible net worth of fifty thousand (\$50,000), including liquid assets  
21 of at least twenty-five thousand dollars (\$25,000) in excess of current  
22 liabilities.  
23 ...
- 24 (d) In the case of a licensed branch office, a tangible net worth in addition to that  
25 required by subdivision (a) shall be maintained at an amount equal to 50  
26 percent of the tangible net worth required by subdivision (a), except that  
27 licensees operating or applying for more than one branch office shall maintain  
28 an additional tangible net worth of at least 25 percent of the amount required  
by subdivision (a) for each branch office licensed after the first branch office  
location.



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repeated violations of the minimum financial requirements for liquid asset and tangible net worth set forth in section 17210.

WHEREFORE, IT IS PRAYED pursuant to section 17608, that the escrow agent license of Parkfield Escrow, Inc. be suspended for a period of ten consecutive business days.

Dated: December 18, 2019  
Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
UCHE L. ENENWALI  
Senior Counsel  
Enforcement Division