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Commissioner  
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Deputy Commissioner  
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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA  
12

13 In the Matter of: )  
14 ) FILE NO.: 9632100  
15 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, )  
16 )  
17 Complainant, ) ACCUSATION  
18 v. )  
19 )  
20 IMPACT ESCROW, INC., )  
21 Respondent. )  
22 )

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

25 **I.**  
26 **Introduction**

27 1. The Commissioner of Financial Protection and Innovation (Commissioner or  
28 Complainant) seeks to revoke the escrow agent’s license issued to Impact Escrow, Inc. (Impact

1 Escrow or Respondent) based upon its violations of the California Escrow Law (Fin. Code, §§ 17000  
2 et seq.) (Escrow Law), as set forth below.

3 **II.**

4 **Factual Background**

5 2. Impact Escrow, a California corporation, is an escrow agent licensed by the  
6 Commissioner under the Escrow Law with its place of business located at 11280 Corbin Avenue,  
7 Suite B, Porter Ranch, California. Respondent received its escrow agent license from the  
8 Commissioner on July 14, 2004.

9 3. Victor Sampson (Sampson) is Impact Escrow’s president and chief financial officer.

10 **III.**

11 **Violations of the Escrow Law**

12 4. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are  
13 required to file an annual audit report containing audited financial statements within 105 days after  
14 the close of their fiscal year. Respondent’s fiscal year-end is December 31.

15 5. Impact Escrow was required to file its annual audit report for the fiscal year ended  
16 December 31, 2020 (2020 annual audit report) on or before April 15, 2020. But to date, Impact  
17 Escrow has not filed its 2020 annual audit report.

18 6. On November 20, 2020, the Complainant sent a notification, through  
19 GovDelivery.com, to Respondent’s designated email address on file, to remind Respondent that its  
20 2020 annual audit report is due April 15, 2021. The Complainant also warned Respondent that failure  
21 to file its 2020 annual audit report by the due date would subject it to penalty under Financial Code  
22 section 17408. In addition, Respondent was also cautioned that its escrow agent license may be  
23 revoke or suspended pursuant to Financial Code section 17602.5 if it fails to file the required report  
24 the due date. A delivery report generated from GovDelivery.com dated November 20, 2020 indicated  
25 the notification was delivered and received by Respondent. The 2020 annual audit report was not  
26 filed on or before the due date of April 15, 2021.

27 7. On August 3, 2021, the Commissioner, through her staff, issued a written demand to  
28 Respondent to file its 2020 annual audit report within 10 days (10-day written demand). Again, the

1 Commissioner warned Respondent of the potential penalty assessment and suspension or revocation  
2 of its escrow agent’s license for its failure to file the required 2020 annual audit report. The 10-day  
3 written demand was sent by email to Respondent’s designated email address with the Commissioner  
4 and to the company’s email address. On the same date, the 2021 written demand was also sent by  
5 email to Sampson’s personal email address.

6 8. Approximately one week after the written demand was emailed to Respondent and  
7 Sampson, the Complainant received a phone call from the company’s certified public accountant  
8 Michael Haas (Haas) who said he would be working with the Respondent to submit its December  
9 2020 annual audit report.

10 9. On October 27, 2021, more than two months after the 10-day written demand was sent  
11 to the Respondent, the Complainant, through her staff, sent an email to Haas to inquire about the  
12 submission of the 2020 annual audit report. Haas responded that he was still waiting for “a couple of  
13 items from Sampson about subsequent events that occurred after the company’s December 31, 2020  
14 fiscal year-end.” To date, Impact Escrow’s 2020 annual audit report has not been filed with the  
15 Complainant and there has been no communication from Impact Escrow since.

16 10. On March 3, 2022, the Complainant received a letter from Sampson informing the  
17 Complainant that Impact Escrow has closed its business as of December 31, 2021. In response, the  
18 Complainant, through her staff, sent an email to Sampson on April 22, 2022, concerning the  
19 surrender process of Impact Escrow’s escrow agent license. Subsequently, voice mails were also left  
20 for Sampson on May 5 and 24, 2022. More recently on June 24, 2022, a certified letter was also sent  
21 to Sampson. To date, the Complainant has received no response from Sampson or Impact Escrow,  
22 nor has the Complainant received an application from Impact Escrow to surrender its escrow agent  
23 license.

24 11. On July 19, 2022, the Complainant, through her staff, sent an email to Haas to inquire  
25 about the status of the 2020 annual audit report. There was no response from Haas or Impact Escrow.

26 12. The Commissioner is authorized to impose a penalty under Financial Code section  
27 17408 for Impact Escrow’s failure to file its 2020 annual audit report. As of November 8, 2021, the  
28 accrued penalty for the late filing of the 2020 annual audit report amounts to \$166,500.00, calculated

1 as follows:

Date	Number of Days	Fines per Day	Fine Amount
8/16/21 – 8/20/21	5	\$100.00	\$500.00
8/21/21 – 7/17/22	333	\$500.00	\$166,500.00

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6 **IV.**

7 **Applicable Law**

8 13. Financial Code section 17406 provides in pertinent part as follows:

9 (a) Each licensee shall submit to the commissioner, at the licensee's  
10 own expense, an audit report containing audited financial statements  
11 covering the calendar year or, if the licensee has an established fiscal  
12 year, then for that fiscal year, within 105 days after the close of the  
13 calendar or fiscal year, as applicable. At that time, each licensee shall  
14 also file additional relevant information as the commissioner may  
15 require.

16 ...

17 (d) The reports and financial statements referred to in subdivisions  
18 (a) and (b) shall include at least a balance sheet and a statement of  
19 income for the year ended on the balance sheet date together with other  
20 relevant information as the commissioner may require. The reports and  
21 financial statements referred to in subdivisions (a), (b), and (c) shall be  
22 prepared in accordance with generally accepted accounting principles,  
23 and shall be accompanied by a report, certificate, or opinion of, an  
24 independent certified public accountant or independent public  
25 accountant. The audits shall be conducted in accordance with generally  
26 accepted auditing standards and the rules of the commissioner.

27 (e) A licensee shall make other special reports to the commissioner  
28 as the commissioner may from time to time require.

(f) For good cause and upon written request, the commissioner  
may extend the time for compliance with subdivisions (a) and (b).

(g) A licensee shall, when requested by the commissioner, submit  
its unaudited financial statements, prepared in accordance with  
generally accepted accounting principles and consisting of at least a  
balance sheet and statement of income and expense as of the date and  
for the period specified by the commissioner. The commissioner may

1 require the submission of these reports on a monthly or other periodic  
2 basis.

3 ...

4 (i) The commissioner may reject any financial statement, report,  
5 certificate, or opinion by notifying the licensee or other person required  
6 to make the filing of its rejection and the cause of the rejection. Within  
7 30 days after the receipt of the notice, the licensee or other person shall  
8 correct the deficiency and the failure so to do shall be deemed a  
9 violation of this division. The commissioner shall retain a copy of all  
10 rejected filings.

11 (j) The commissioner may make rules specifying the form and  
12 content of the reports and financial statements referred to in this  
13 section, and may require that those reports and financial statements be  
14 verified by the licensee in the manner as he or she may prescribe.

15 (k) Upon completion of the reports and financial statements  
16 referred to in subdivisions (a), (b), and (c), the independent accountant  
17 shall submit to the commissioner complete copies of the reports and  
18 financial statements at the same time that copies of the reports and  
19 financial statements are submitted to the licensee.

20 14. Financial Code section 17408, subdivisions (b)-(e), provides as follows:

21 (b) The commissioner may impose, by order, a penalty on any  
22 person who fails, within the time specified in any written demand of the  
23 commissioner, (1) to make and file with the commissioner any report  
24 required by law or requested by the commissioner, or (2) to furnish any  
25 material information required by the commissioner to be included in  
26 the report. The amount of the penalty may not exceed one hundred  
27 dollars (\$100) for each day for the first five days the report or  
28 information is overdue, and thereafter may not exceed 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 made.

15. Financial Code section 17602.5 provides 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, or fails to include therein any matter required by law or by the commissioner, such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

16. Financial Code section 17608 provides in pertinent part as follows:

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

- (a) The licensee has failed to maintain in effect a bond required under the provisions of this division.
- (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.

**V.**

**PRAYER FOR ORDER IMPOSING PENALTIES PURSUANT TO  
FINANCIAL CODE SECTION 17408**

17. The Commissioner finds that, by reason of the foregoing, Impact Escrow, Inc. has failed to file its annual audit report timely for its fiscal year ended December 31, 2020, as was required under Financial Code section 17406, which is ground for the imposition of penalties under Financial Code section 17408.

NOW THEREFORE the Commissioner having found that Impact Escrow, Inc. failed to timely file its annual audit report for its fiscal year ended December 31, 2020, as required by Financial Code section 17406, it is hereby ordered, pursuant to Financial Code section 17408, that Impact Escrow, Inc., pay the Commissioner the sum of \$167,000.00.

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**VI.**

**PRAYER FOR ORDER REVOKING IMPACT ESCROW, INC.’S ESCROW  
AGENT’S LICENCE PURSUANT TO FINANCIAL CODE SECTION 17608**

18. The Commissioner finds that, by reason of the foregoing, Impact Escrow, Inc. has violated Financial Code section 17406 which constitutes grounds for the revocation of its escrow agent’s license under sections 17602.5 and 17608 of the Escrow Law.

WHEREFORE, IT IS PRAYED under sections 17602.5 and 17608 of the Escrow Law, that the escrow agent’s license of Impact Escrow, Inc. be revoked.

Dated: July 25, 2022  
Los Angeles, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARLOU de LUNA  
Senior Counsel  
Enforcement Division