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

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. CRESTWOOD ESCROW SERVICE, INC., Respondent.	File No.: 963-0506 ACCUSATION IN SUPPORT OF REVOCATION OF CALIFORNIA ESCROW AGENT'S LICENSE

The Complainant, Preston DuFauchard, the California Corporations Commissioner ("Commissioner") of the Department of Corporations ("Department") alleges and charges as follows:

I

Crestwood Escrow Service, Inc. ("Respondent") is an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") of the Department of Corporations ("Department") pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 *et seq*.).

II

On or about October 5, 2009, the Commissioner received a letter from Respondent dated October 1, 2009, informing that it wished to surrender its California escrow agent's license.

State of California – Department of Corporations

On November 10, 2009, the Commissioner sent a certified letter to Respondent, which was received on November 12, 2009. This letter notified Respondent that, as a condition of license surrender pursuant to Financial Code section 17600, subdivision (b), the licensee is required to engage a certified public account to conduct a closing audit of the licensee's records ("closing audit report") and report findings of compliance with the Escrow Law to the Commissioner within 105 days from the date of the application to surrender the license. Additionally, the November 10, 2009 letter informed Respondent that the following issues must be corrected before the surrender process can be completed:

a) Receipt of the Board of Directors Resolution authorizing the surrender;

b) A response to the examination letter must be submitted;

c) The 2009 escrow assessment of $2800 that was due and payable no later June 30, 2009, and must be paid;

d) Payment for the examination Invoice number 48253 issued on 7/2/2009 for $4,658.48 must be paid;

e) Confirmation that the Escrow Agent's Fidelity Corporation Assessments of $318.47 has been paid.

Pursuant to Financial Code section 17600, subdivision (b), the Respondent's closing audit report was due 105 days from the date of application to surrender its escrow agent's license, which was January 20, 2010. Pursuant to Financial Code section 17207(e) the escrow assessment of $2800 was due and payable no later than June 30, 2009.

On July 1, 2011, Special Administrator, Kathleen Partin spoke to Respondent's President Judith Cunningham and was informed by Cunningham that the closing audit report had not been completed due to lack of funds. To date, the Commissioner has not received the $2800 escrow assessment, the closing audit report, nor a response to issues addressed in the November 10, 2009 from Respondent.

III

Financial Code section 17600, subdivision (b), provides as follows:

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State of California – Department of Corporations

> A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall notify the commissioner in writing and, at that time, tender the license and all other indicia of licensure to the commissioner. Within 105 days of the written notice to the commissioner, the licensee shall submit to the commissioner, at its own expense, a closing audit report as of the date the license is tendered to the commissioner for surrender, or for another period as the commissioner may specify, to be performed by an independent certified public accountant. The closing audit shall include, but not be limited to, information required by the commissioner, a bank reconciliation of the trust account, and a verified statement from a certified public accountant confirming lawful disbursement of funds. A license is not surrendered until the commissioner has reviewed and accepted the closing audit report, a determination has been made by the commissioner that acceptance of the surrender is in the public interest, and tender of the license is accepted in writing by the commissioner.

Financial Code section 17207 provides in pertinent part:

> The commissioner shall charge and collect the following fees and assessments:

(e) (1) Each escrow agent shall pay to the commissioner for the support of this division for the ensuing year an annual license fee not to exceed two thousand eight hundred dollars ($2800) for each office or location.

(4) If an escrow agent fails to pay the amount due on or before the June 30 following the day upon which payment was due, the commissioner may by order summarily suspend or revoke the certificate issued to the company.

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.

IV

Complainant finds that, by reason of the foregoing, Respondent Crestwood Escrow Service, Inc. has violated Financial Code sections 17207(e) and 17600, and it is in the best interests of the public to revoke Respondent's escrow agent's license pursuant to Financial Code section 17608.

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State of California – Department of Corporations

WHEREFORE, IT IS PRAYED that the California escrow agent's license of Respondent Crestwood Escrow Service, Inc. be revoked.

Dated: September 14, 2011
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
MARY ANN SMITH
Senior Corporations Counsel
Enforcement Division

State of California – Department of Corporations