PRESTON DUFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
AFSANEH EGHBALDARI (CA. BAR NO. 250107)
Corporations Counsel
1350 Front Street, Room 2034
San Diego, California 92101
Telephone: (619) 645-3166

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. ACE ESCROW, INC., Respondent.	File No.: 963-2262 **ACCUSATION IN SUPPORT OF REVOCATION OF ESCROW AGENT'S LICENSE PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 17608**

The Complainant, California Corporations Commissioner ("Commissioner"), is informed and believes, and based upon such information and belief, alleges and charges Respondent, Ace Escrow, Inc. ("Ace Escrow") as follows:

I.

Ace Escrow is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). (All future references to sections are to the California Financial Code unless indicated otherwise.).

///

///

State of California - Department of Corporations

II.

California Financial Code section 17600, subsection (b), sets forth the procedure for surrender of an escrow agent's license. Simply returning a license to the California Department of Corporations does not constitute a surrender of the license. 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.

On or about November 3, 2008, Ace Escrow submitted its license for surrender. On November 5, 2008, Ace Escrow was notified in writing that the surrender of its license would not be complete until its closing audit prepared by a Certified Public Accountant had been accepted, a determination had been made by the Commissioner that there is no violation of the Escrow Law, and the surrender of the license had been accepted in writing by the Commissioner. Ace Escrow failed to submit its closing audit and the surrender of its license was not completed.

III.

Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("audit report") within one hundred and five (105) days after the close of their fiscal year. Ace Escrow failed to file its 2008 and 2009 audit reports.

IV.

Pursuant to California Financial Code section 17207, all licensees are required to pay an annual assessment to the Commissioner. Ace Escrow failed to pay its annual assessment for the past two (2) years, in violation of California Financial Code section 17207.

V.

Pursuant to California Financial Code section 17202, all licensees must maintain a surety bond in the minimum amount of 25,000.00. Ace Escrow's surety bond cancelled on August 1, 2009. Ace Escrow failed to provide the Commissioner with proof of bond replacement or reinstatement.

///

///

VI.

California 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:
> (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.

VII.

The Commissioner finds that, by reason of the foregoing, Ace Escrow, Inc. has violated California Financial Code sections 17406, 17207, and 17202, and based thereon grounds exist to revoke the escrow agent's license of Ace Escrow, Inc.

WHEREFORE, IT IS PRAYED that the escrow agent's license of Ace Escrow, Inc. be revoked pursuant to California Financial Code section 17608.

Dated: March 7, 2011
San Diego, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
AFSANEH EGHBALDARI
Corporations Counsel