PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. PACIFIC BEACHES ESCROW, INC., Respondent.	File No.: 963-2477 ACCUSATION FOR REVOCATION

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

I.

PACIFIC BEACHES ESCROW, INC. (“Respondent” or “Pacific”) is an escrow agent licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).

II.

Financial Code Section 17600(a) states: “An escrow agent’s license remains in effect until surrendered, revoked, or suspended.” On September 15, 2009, the Commissioner received a request from Pacific to surrender its license. On September 23, 2009, the Commissioner sent a letter to

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Pacific that informed Pacific of the requirements to surrender their license. Pursuant to Financial Code section 17600(b), a licensee must file a closing audit report within 105 days of the written request to surrender in order for the surrender to be accepted by the Commissioner. The details of the closing audit requirement are provided in 17600(b). The letter sent by the Commissioner on September 23, 2009 also detailed what should be included in the closing audit. This letter stated that if Pacific did not submit a closing audit meeting the requirements, its license would be summarily revoked.

On January 19, 2010, the Commissioner received a letter from Pacific that requested an extension of time to file the closing audit as a result of an accident in which its President was seriously injured. The letter from Pacific stated that the President was nonetheless "working with her CPA now to expedite the closing audit as soon as possible". As of February 16, 2011, the closing audit has still not been submitted by Pacific, and no further correspondence has been received from Pacific.

III.

Financial Code section 17602.5 provides in pertinent part 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 date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

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:
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> (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.

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IV.

Complainant finds that, by reason of the foregoing, Pacific has violated Financial Code section 17600(b), which constitutes grounds for the revocation of its escrow agent's license under Financial Code section 17602.5.

WHEREFORE, IT IS PRAYED that the PACIFIC BEACHES ESCROW, INC.'s escrow agent's license be revoked pursuant to Financial Code section 17608.

Dated: February 22, 2011
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Joanne Ross
Corporations Counsel