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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. PARK ESCROW SERVICES, INC. and GLENN F. HINTON, Respondents.	Case No.: 963-2517 ACCUSATION

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

I

Park Escrow Services, Inc. (“Park Escrow”) 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.). Park Escrow had its principal place of business located at 457 E. Grand Avenue, Suite 1, Escondido, California 92025.

Respondent Glenn F. Hinton ("Hinton") is, and was at all times relevant herein, the president and sole shareholder of Park Escrow.

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II

Pursuant to 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. Respondent's fiscal year end is March 31. Accordingly, Park Escrow was required to file its audit report on or before July 15 of each year.

On or about February 2, 2010, Complainant notified Park Escrow in writing that its audit report for the fiscal year end March 31, 2010 was due July 15, 2010. Park Escrow failed to file the audit report by July 15, 2010.

On or about June 20, 2011, a follow up letter was sent to Park Escrow by and through Hinton demanding the audit report be filed no later than June 30, 2011, and notifying Park Escrow that failure to file the audit report by June 30, 2011 could result in a revocation of its license along with being assessed penalties for each day the audit report was late.

Park Escrow has yet to submit the March 31, 2010 audit report as required by Financial Code section 17406.

III

On or about February 7, 2011, Complainant notified Park Escrow in writing that its audit report for the fiscal year end March 31, 2011 was due July 15, 2011. Park Escrow failed to file the audit report by July 15, 2011.

On or about July 18, 2011, a follow up letter was sent to Park Escrow by and through Hinton demanding the audit report be filed no later than July 28, 2011, and notifying Park Escrow that failure to file the audit report by July 18, 2011 could result in a revocation of its license along with being assessed penalties for each day the audit report was late.

Park Escrow has yet to submit the March 31, 2011 audit report as required by Financial Code section 17406.

IV

Park Escrow previously failed to timely file its 2009 audit report. Park Escrow failed to file its 2009 audit report until August 10, 2010 (391 days late). In the August 10, 2010 cover letter

accompanying the 2009 audit report, Hinton indicated that the 2010 audit report was in the process of being completed. As set forth in Section II above, Park Escrow has never filed the 2010 audit report.

V

Pursuant to Financial Code section 17202, all licensees under the Escrow Law are required to maintain a surety bond in the minimum amount of $25,000.00. The surety bond of Park Escrow expired on March 17, 2012, and no replacement was obtained by Park Escrow.

On or about March 19, 2012, Complainant issued an Order to Discontinue Escrow Activities to Park Escrow pursuant to Financial Code section 17415 for failure to maintain the required surety bond. Complainant attempted to serve the Order on Park Escrow on or about March 20, 2012, but the attempted service revealed that Hinton had abandoned Park Escrow and its escrow business, despite trust funds remaining on deposit in the trust account[1].

VI

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.

California Financial Code section 17423 provides in pertinent part:

> (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:
>
> (1) That the . . . bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

[1] As of April 11, 2012, there remained a balance of $21,065.58 in the trust account of Park Escrow.

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VII

Complainant finds that, by reason of the foregoing, Respondents Park Escrow and Hinton have violated Financial Code sections 17202 and 17406 and it is in the best interests of the public to revoke the escrow agent's license of Respondent Park Escrow and to bar Respondent Hinton from any position of management or control of any escrow agent.

WHEREFORE, IT IS PRAYED that Respondent Hinton be barred from any position of management or control of any escrow agent and the escrow agent's license of Respondent Park Escrow be revoked.

Dated: April 16, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By_____
Judy L. Hartley
Senior Corporations Counsel

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