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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. EVANSTON ESCROW, INC., Respondent.	)))))))))))	File No.: 963-2522 ACCUSATION IN SUPPORT OF REVOCATION OF CALIFORNIA ESCROW AGENT'S LICENSE

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

I

Evanston Escrow, 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

The Commissioner received a letter from Respondent dated February 13, 2012, stating its intent to surrender its California escrow agent's license.

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On February 21, 2012, the Commissioner sent a letter via certified mail to Respondent at its last known business address that was received on February 23, 2012. 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 accountant 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. Hence, the due date for the closing audit report was May 28, 2012. To date, the Commissioner has not received the closing audit report from Respondent.

On June 7, 2012, a letter demanding the closing audit that was due on May 28, 2012 was sent via certified mail to Respondent and received on June 11, 2012. The letter stated that if no response regarding the closing audit report is received within 10 days of the letter, the Respondent's escrow agent's license will be referred for revocation. To date, the Commissioner has not received any response.

California Financial Code section 17202(a) states that "a licensee shall maintain a bond satisfactory to the commissioner . . . ." On March 6, 2012, the Department received Notice of Cancellation of Respondent's surety bond from Platte River Insurance Company. The date of cancellation stated on the Notice of Cancellation was April 5, 2012. Respondent has failed to reinstate or replace its surety bond as required.

III

Financial Code section 17600 provides as follows:

> (a) An escrow agent's license remains in effect until surrendered, revoked, or suspended.
>
> (b) 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

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> 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 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.

Financial Code section 17608 provides in relevant 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.

IV

Complainant finds that, by reason of the foregoing, Respondent Evanston Escrow, Inc. has violated Financial Code sections 17600, 17202, and 17602.5, and it is in the best interest of the public to revoke Respondent's escrow agent's license pursuant to Financial Code section 17608.

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

Dated: July 26, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By_____
Sophia C. Kim
Corporations Counsel