PRESTON DuFAUCHARD
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, v. QUIKSILVER ESCROW, INC., Respondent.	File No.: 963-2569 ACCUSATION

The California Corporations Commissioner ("Complainant" or "Commissioner") is informed and believes and based upon such information and belief, alleges and charges as follows:

I.

Respondent Quiksilver Escrow, Inc. ("Respondent" or "Quiksilver") is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (Fin. Code, § 17000 et seq.) ("Escrow Law"). Respondent has its principal place of business located at 5750 Division Street, Suite 100, Riverside, California 92506.

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II.

Financial Code section 17210, subdivision (a) requires all licensees under the Escrow Law to maintain at all times a tangible net worth of fifty thousand dollars ($50,000), including liquid assets of at least twenty-five thousand dollars ($25,000) in excess of current liabilities.

A review of Respondent's annual report of May 31, 2010, indicated a liquid asset deficit of $111,185.00 and a tangible net worth deficit of $114,755.00. A regulatory examination was commenced in November 2010. The examination disclosed that as of October 31, 2010, Respondent continued to be deficient in both liquid asset and tangible net worth.

On or about January 4, 2011, Complainant notified Respondent in writing about the deficiencies. Respondent was required to correct the deficiencies and provide the Commissioner with proof of correction within 30 days. Respondent failed to respond to the Commissioner's letter.

III.

Financial Code section 17202, subdivision (a) requires all escrow agent licensees to maintain a bond in the minimum amount of $25,000.00.

On March 4, 2011, Bond No. FS2874214 issued by Great American Insurance Company in favor of Quiksilver Escrow expired and no replacement bond has been obtained.

In light of the cancellation of the surety bond the Commissioner issued the Order To Discontinue Escrow Activities Pursuant To Section 17415, California Financial Code ("Order").

IV.

Financial Code section 17213.1 requires an escrow agent's business not be removed from the premises or address shown on the license without prior approval of the Commissioner.

On or about March 8, 2011, Corporations Examiner Lulu Tesfaye ("Tesfaye") visited Quiksilver's licensed location at 5750 Division Street, Suite 100, Riverside, California 92506 in order to serve the Order. However, Tesfaye found Quiksilver was closed. Subsequently, the Order was served to an employee of an affiliate company in the same building, specifically at 5750 Division Street, Suite 101, Riverside, California 92506. No further response has been received from Respondent.

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Quiksilver has moved or closed its business without notification and/or approval of the Commissioner in violation of Financial Code section 17213.1.

V.

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 provision 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 . . .

Complainant finds that, by reason of the foregoing, Quiksilver has violated Financial Code sections 17210, subdivision (a), 17202, subdivision (a), and 17213.1, all of which are grounds for revocation of its escrow agent's license under Financial Code section 17608. Accordingly, it is in the best interest of the public that Quiksilver's escrow agent's license be revoked.

Dated: September 1, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
MARLOU de LUNA
Sr. Corporations Counsel
Enforcement Division

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