

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
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6 Attorneys for Complainant

7  
8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 THE CALIFORNIA CORPORATIONS ) File No. 963-0546  
11 COMMISSIONER, )  
12 )  
13 Complainant, )  
14 v. ) **ORDER REVOKING ESCROW AGENT’S**  
15 ) **LICENSE PURSUANT TO CALIFORNIA**  
16 COMPASS ESCROW, INC., ) **FINANCIAL CODE SECTION 17606**  
17 )  
18 Respondent. )  
19 )

20 The California Corporations Commissioner (“Commissioner”) finds that:

21 1. The Commissioner issued to Compass Escrow, Inc. (“COMPASS”) an escrow agent’s  
22 license pursuant to the California Escrow Law set forth in California Financial Code Section 17000  
23 et seq. (All future references to sections are to the California Financial Code unless indicated  
24 otherwise.)

25 2. COMPASS has its principal place of business located at 952 Manhattan Beach Blvd.,  
26 Suite 140, Manhattan Beach, CA, 90266.

27 3. Pursuant to California Financial Code section 17406, all licensees under the  
28 California Escrow Law are required to file an annual audit report containing audited financial  
statements (“Annual Report”) within one hundred and five (105) days after the close of their fiscal

1 year. COMPASS' fiscal year end was October 31, 2009. Accordingly, COMPASS was required to  
2 file its Annual Report on or before February 15, 2010.

3 4. On September 22, 2009, the Commissioner notified COMPASS in writing that its  
4 2009 Annual Report was due February 15, 2010. COMPASS failed to file its 2009 Annual Report  
5 by the due date. On February 23, 2010, a warning letter was sent to COMPASS concerning its  
6 failure to file its 2009 Annual Report. COMPASS was notified that failure to file its 2009 Annual  
7 Report within ten (10) days could result in special examination, assessment of penalties and  
8 suspension or revocation of its escrow agent's license. COMPASS failed to file its 2009 Annual  
9 Report and penalties started accruing on March 6, 2010.

10 5. On June 3, 2010, the Commissioner filed his notice of intention to suspend  
11 COMPASS' escrow agent's license, the Accusation and all related documents. Further, pursuant to  
12 California Financial Code section 17408, the Commissioner issued an Order Imposing Penalties  
13 ("ORDER") requiring COMPASS to pay to the Commissioner the sum of twenty-one thousand two  
14 hundred and fifty dollars (\$21,250.00), plus an additional \$250 per day for each day until  
15 COMPASS files its 2009 Annual Report.

16 6. On June 8, 2010, the ORDER, the notice of intention to suspend COMPASS' escrow  
17 agent's license, the Accusation and all related documents were served upon COMPASS, via certified  
18 mail. The return receipt shows that COMPASS received the ORDER and the pleadings on June 10,  
19 2010.

20 7. Pursuant to California Financial Code section 17408, if a person fails to file a written  
21 request for a hearing within 30 days of the date of service of the order, the order imposing the  
22 penalty shall be deemed a final order of the Commissioner, and the penalty must be paid within five  
23 business days. COMPASS never requested a hearing and failed to file its 2009 Annual Report.

24 8. On July 8, 2010, the ORDER was deemed a final order of the Commissioner, and  
25 COMPASS was required to pay the penalty amount on July 15, 2010.

26 9. On September 16, 2010, a follow up letter was sent to COMPASS demanding  
27 compliance with the ORDER.  
28

1           10.     COMPASS has failed to comply with the ORDER and has yet to remit to the  
2 Commissioner the sum of twenty-one thousand two hundred and fifty dollars (\$21,250.00) plus an  
3 additional \$250 per day for each day after March 6, 2010.

4           11.     Pursuant to California Financial Code section 17606, the Commissioner may  
5 immediately revoke by order the escrow agent’s license if the licensee fails to comply with any  
6 order, unless the escrow agent secures a court order restraining the enforcement of the  
7 Commissioner’s revocation order.

8           12.     COMPASS’ failure to comply with the Commissioner’s ORDER is grounds for the  
9 revocation of its escrow agent’s license.

10           NOW GOOD CAUSE APPEARING THEREFORE, pursuant to California Financial Code  
11 section 17606, the escrow agent’s license issued to Compass Escrow, Inc. is hereby revoked. This  
12 order is effective as of the date hereof.

13  
14 Dated: January 18, 2011  
15           Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

16  
17 By \_\_\_\_\_  
18           ALAN S. WEINGER  
19           Deputy Commissioner

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