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California Corporations Commissioner
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7 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 963-2293
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
vs.)
16)
ESSENTIAL ESCROW SERVICES, INC.,)
17)
Respondent.)
18)

19
20 The Complainant is informed and believes and based upon such information and belief,
21 alleges and charges as follows:

22 I

23 Essential Escrow Services, Inc. (“Respondent” or “Essential Escrow”) is an escrow agent
24 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant
25 to the Escrow Law of the State of California (California Financial Code Section 17000 *et seq.*).

26 II

27 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
28 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 ended on

1 December 31, 2007. Accordingly, Respondent was required to file its audit report on or before April
2 15, 2008.

3 On or about November 13, 2007, Complainant notified Respondent in writing that its audit
4 report was due April 15, 2008. Respondent failed to file the audit report by April 15, 2008.

5 On or about May 8, 2008, a follow-up letter was sent to Respondent concerning its failure to
6 file the audit report. Respondent was notified in the letter that failure to file to the audit report could
7 result in assessment of penalties, a special examination and/or administrative action.

8 Respondent has yet to file the audit report as required by Financial Code section 17406.

9 III

10 Financial Code section 17602.5 provides in pertinent part as follows:

11 If any licensed escrow agent fails to make any reports required by law
12 or by the commissioner within ten (10) days from the date designated
13 for the making of the reports, or within any extension of time granted
14 by the commissioner, . . . such failure shall constitute grounds for
the suspension or revocation of the license held by such escrow agent.

15 Financial Code section 17608 provides in pertinent part:

16 The commissioner may, after notice and a reasonable opportunity to
17 be heard, suspend or revoke any license if he finds that:

18 (b) The licensee has violated any provision of this division or any
19 rule made by the commissioner under and within the authority of this
division.

20 IV

21 Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code
22 section 17406, which constitutes grounds for the suspension of its escrow agent's license.

23 WHEREFORE, IT IS PRAYED that the Respondent's escrow agent's license be suspended
24 until such time as Respondent files its audit report for the fiscal year end December 31, 2007 or for a
25 period of one month, whichever period is greater.

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27 Dated: September 22, 2008
28 Sacramento, CA

California Corporations Commissioner

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By _____
Miranda L. Maison
Senior Corporations Counsel