

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No.: 963-2269
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) AMENDED ACCUSATION
14)
Complainant,)
15)
vs.)
16)
ELENDER ESCROW, 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 Elender Escrow, Inc. (“Respondent”) is an escrow agent licensed by the California
23 Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the
24 State of California (California Financial Code Section 17000 et seq.).

25 II

26 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
27 file an annual audit report containing audited financial statements (“audit report”) within one
28 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end was

1 December 31, 2006 and December 31, 2007 respectively. Accordingly, Respondent was required to
2 file its audit report on or before April 15, 2007 and on or before April 15, 2008.

3 On or about November 16, 2006, Complainant notified Respondent in writing that its audit
4 report was due April 15, 2007. Respondent failed to file the audit report by the due date. On or
5 about May 10, 2007, a follow up letter was sent to Respondent concerning its failure to file the audit
6 report. Respondent was notified in the letter that failure to file to the audit report could result in
7 assessment of penalties, a special examination and/or administrative action.

8 On or about November 13, 2007, Complainant notified Respondent in writing that its audit
9 report was due on April 15, 2008. Respondent failed to file the audit reports by the due dates. On or
10 about March 14, 2008, Complainant filed the Accusation, the Notice of Intention to Suspend
11 Respondent’s license, and all the related documents. On March 27, 2008, Respondent was served
12 the Accusation, the Notice of Intention to Suspend Respondent’s license, and all the related
13 documents. Respondent did not request a hearing. On or about April 25, 2008, Complainant issued
14 and served Respondent the Order Suspending Respondent’s license. Respondent’s escrow license
15 was suspended until at least May 25, 2008 and if the audit reports remained unfilled, then the
16 suspension would remain in effect until further Order by the Commissioner.

17 Respondent has yet to file the audit reports for 2006 and 2007 as required by Financial Code
18 section 17406. The Commissioner is instituting this action to revoke Respondent’s license because
19 Respondent failed to file its audit reports for the past two years.
20

21 III

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

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

27 Financial Code section 17608 provides in pertinent part:

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

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(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 has violated Financial Code section 17406, which constitutes grounds for revocation of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be revoked.

Dated: June 18, 2008
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Afsaneh Eghbaldari
Corporations Counsel