

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

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

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11 In the Matter of the Accusation of THE) File No.: 963-2287
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13)
Complainant,)
14)
15 vs.)
16 TOPLINE ESCROW SERVICE, INC.,)
17 Respondent.)
18)

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

21 I

22 Topline Escrow Service, Inc. (“Respondent” or “Topline”) is an escrow agent licensed by the
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow
24 Law of the 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 is

1 October 31. Accordingly, Respondent was required to file its audit report on or before February 15,
2 2009.

3 On or about September 8, 2008, Complainant notified Respondent in writing that its audit
4 report was due February 15, 2009. Respondent failed to file the audit report by February 15, 2009.

5 On or about February 13, 2009, Respondent requested a 30-day extension to file its 2008
6 audit report. On or about February 23, 2009, Complainant granted Respondent a two-week
7 extension to file its 2008 audit report with the audit report now due on or before March 2, 2009.
8 Respondent did not file its audit report by March 2, 2009.

9 On or about March 11, 2009, a follow up letter was sent to Respondent demanding the audit
10 report be filed no later than March 21, 2009, and notifying Respondent that failure to file the audit
11 report by March 21, 2009 could result in a revocation of its license along with being assessed
12 penalties in the amount of \$100.00 per day for each day the audit report was late.

13 Respondent has yet to submit the audit report as required by Financial Code section 17406.

14 III

15 Respondent previously failed to timely file its 2007 audit report. Respondent failed to file its
16 2007 audit report until June 3, 2008 (109 days late) and then not until after the Commissioner issued
17 an order assessing penalties against Respondent and also brought an action to suspend Respondent's
18 license.

19 Respondent resolved the actions involving its 2007 audit report by agreeing to a two-week
20 suspension of its escrow agent's license and \$2,000.00 in penalties. Despite prior disciplinary
21 action, Respondent is now 183 days late in filing its annual audit report.

22 IV

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

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

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Financial Code section 17608 provides in pertinent part:

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

(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, despite prior discipline, has violated Financial Code section 17406, which constitutes grounds for the revocation of its escrow agent's license.

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

Dated: August 17, 2009
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel