PRESTON DuFAUCHARD
California Corporations Commissioner
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Deputy 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, vs. VINTAGE ESCROW, INC., Respondent.	File No.: 963-1241 **ACCUSATION**

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

I.

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

II.

Pursuant to Financial Code section 17210(a), all licensees under the Escrow Law are required 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.

State of California – Department of Corporations

In October 2009 a regulatory examination by the Commissioner disclosed that as of September 30, 2009 Vintage Escrow was deficient in both liquid assets (deficiency of $29,798.27) and tangible net worth (deficiency of $41,741.53). The Commissioner sent a letter dated November 23, 2009 to Vintage Escrow concerning this deficiency, but no response was received.

Vintage Escrow filed its annual report for the fiscal year ending July 31, 2010 as required by Financial Code section 17406. This annual report disclosed that Vintage Escrow had a continued serious liquid asset deficiency of ($53,168.00) and a continued serious tangible net worth deficiency of ($66,006.00). The Commissioner sent a letter dated January 21, 2011 to Vintage Escrow concerning this deficiency, and again no response was received.

On May 20, 2011 the Commissioner initiated telephone contact with Vintage Escrow and it was agreed that an April 30, 2011 financial statement would be submitted for review to determine the current situation. The statement was submitted but showed a liquid asset deficiency of ($37,950.30) and a tangible net worth deficiency of ($54,424.94). On June 10, 2011 the Commissioner sent a letter to Vintage Escrow demanding proof of correction of these deficiencies within 30 days, and warning that the failure to cure these deficiencies would result in the suspension of its escrow license. In a reply letter dated July 6, 2011 Vintage Escrow cited health issues and economic hardships, but failed to provide proof of correction of deficiencies. Vintage Escrow has failed to submit proof of deficiency cure to date.

III.

Financial Code section 17210 (a) provides in pertinent part as follows:

> "An escrow agent licensed on or after January 1, 1986, shall 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."

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 has violated Financial Code sections 17210(a), which constitutes grounds for the suspension of its escrow agent license.

WHEREFORE, IT IS PRAYED that the escrow agent license of Vintage Escrow, Inc. be suspended until it provides proof of compliance with the liquid assets and net worth requirements of Financial Code section 17210(a), or for a period of 30 days, whichever period is greater.

Dated: September 28, 2011

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
EDWARD KELLY SHINNICK
Corporations Counsel
Enforcement Division

State of California – Department of Corporations