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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, v. SHERWOOD ESCROW, INC., Respondent.	File No.: 963-2286 **ACCUSATION IN SUPPORT OF REVOCATION OF ESCROW AGENT'S LICENSE**

The Complainant, California Corporations Commissioner ("Commissioner"), is informed and believes, and based upon such information and belief, alleges and charges Respondent, Sherwood Escrow, Inc. ("Sherwood Escrow") as follows:

I.

Sherwood Escrow is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.). Sherwood Escrow's prior principal place of business was at 6355 Topanga Canyon Blvd., Suite 230, Woodland Hills, CA 91367. To date, Sherwood Escrow has failed to notify the Commissioner of its current

State of California - Department of Corporations

principal place of business.

II.

Pursuant to California Financial Code section 17406[1] all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("audit report") within one hundred five (105) days after the close of their fiscal year. The fiscal year-end for Sherwood Escrow is December 21, 2010. Accordingly, the Commissioner sent a letter to Sherwood Escrow with a notice that the audit report was due on or before April 15, 2011. Sherwood Escrow failed to file the audit report by such date.

On or about April 22, 2011, the Commissioner sent a letter demanding that the report be filed no later than May 1, 2011. The letter notified Sherwood Escrow that failure to file the audit report by such date would incur penalties and/or may result in a special examination pursuant to section 17408, and/or an action to suspend or revoke its license pursuant to section 17602.5.

To date, Sherwood Escrow has failed to submit the required audit report and has incurred penalties in excess of $66,000.00 per sections 17406 and 17408, respectively.

III.

Pursuant to California Financial Code section 17207, all licensees are required to pay an annual assessment to the Commissioner. To date, Sherwood Escrow has not paid its escrow assessment of $2,800.00 that was due on June 30, 2011.

IV.

Pursuant to section 17202, all licensees must maintain a surety bond in the minimum amount of $25,000.00. On June 8, 2011, the Commissioner issued an Order to Discontinue Escrow Activities ("Order") pursuant to section 17415 as the surety bond of Sherwood Escrow had expired and no replacement bond was obtained.

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[1] All references are to the California Financial Code unless otherwise noted.

State of California - Department of Corporations

An attempt to personally serve the Order revealed that Sherwood Escrow had vacated its licensed location and moved without obtaining prior approval or notifying the Commissioner of a possible new location, in violation of section 17213.1 and California Code of Regulations, title 10, section 1730.

It appears that Sherwood Escrow is no longer operating and has not initiated surrender of its escrow license. Jay Michael Belson, the President of Sherwood Escrow, informed the Commissioner that his current mailing address is 415 N. Crescent Drive, #240, Beverly Hills, CA 90210.

V.

California 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:
> (a) The licensee has failed to maintain in effect a bond required under the provisions of this division.
> (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.

VI.

The Commissioner finds that, by reason of the foregoing, Sherwood Escrow, Inc. has violated California Financial Code sections 17202, 17207, 17213.1, 17406, and 17602.5 and California Code of Regulations, title 10, section 1730, and based thereon grounds exist to revoke the escrow agent's license of Sherwood Escrow, Inc.

WHEREFORE, IT IS PRAYED that the escrow agent's license of Sherwood Escrow, Inc. be revoked pursuant to California Financial Code section 17608.

Dated: September 14, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
MICHELLE LIPTON
Senior Corporations Counsel

State of California - Department of Corporations