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California Corporations Commissioner
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7 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 963-2201
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
vs.)
16)
CATALINA 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:

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23 I

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

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II

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to 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 December 31, 2008. Accordingly, Respondent was required to file its audit report on or before April 15, 2009.

On or about November 17, 2008, Complainant notified Respondent in writing that its audit report was due April 15, 2009. Respondent failed to file the audit report by April 15, 2009.

On or about June 26, 2009, a follow-up letter was sent to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file to the audit report could result in assessment of penalties, immediate examination of books and records, suspension and/or revocation.

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

III

Financial Code section 17602.5 provides in pertinent part as follows:

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

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.

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IV

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

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended until such time as Respondent files its audit report for the fiscal year end December 31, 2008 or for a period of 30 days, whichever period is greater.

Dated: October 21, 2009
Sacramento, CA

California Corporations Commissioner

By _____
Brent S.B. Lindgren
Senior Corporations Counsel