

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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4 Department of Corporations
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6 Attorneys for Complainant
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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.: 963-2201
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ORDER IMPOSING PENALTIES PURSUANT
13) TO CALIFORNIA FINANCIAL CODE
Complainant,) SECTION 17408
14)
vs.)
15)
16 CATALINA ESCROW, INC.,)
Respondent.)
17)
18)

19 TO: CATALINA ESCROW, INC.
20 1200 Artesia Boulevard, Suite 300
21 Hermosa Beach, California 90254

22 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having found
23 that Catalina Escrow, Inc. failed to timely file its annual audit report containing audited financial
24 statements for its fiscal year ending December 31, 2008 as required by Financial Code section 17406,
25 Catalina Escrow, Inc. is hereby ordered, pursuant to Financial Code section 17408, to pay to the
26 Commissioner the sum of \$10,600.00 plus an additional \$100 per day hereafter until the annual audit
27 report is filed.

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1 Pursuant to Financial Code section 17406, Catalina Escrow, Inc. (“Catalina Escrow”) was
2 required to submit its annual audit report for the fiscal year ending December 31, 2008 (“2008 audit
3 report”) to the Commissioner on or before April 15, 2009.

4 On or about November 17, 2008, the Commissioner notified Catalina Escrow in writing that its
5 2008 audit report was due April 15, 2009. Catalina Escrow failed to file the 2008 audit report by April
6 15, 2009.

7 On or about June 26, 2009, a follow-up letter was sent via certified mail to Catalina Escrow
8 concerning its failure to file the 2008 audit report. Catalina Escrow was notified that failure to file the
9 2008 audit report could result in assessment of penalties, immediate examination of books and records,
10 suspension and/or revocation of escrow agent’s license. This letter was certified as delivered on July 1,
11 2009.

12 This Order imposes penalties of \$100 per day commencing on July 7, 2009 (ten days after the
13 June 26, 2009 follow-up letter) until such time as the 2008 audit report is eventually filed. As of the
14 date of this order, 106 days has expired since July 7, 2009. Catalina has not yet filed its 2008 audit
15 report as of this date – 189 days after the time required by Financial Code section 17406.

16 Financial Code Section 17408, subdivisions (b) – (e) provides as follows:

17 (b) The commissioner may impose, by order, a penalty on any person
18 who fails, within the time specified in any written demand of the
19 commissioner, (1) to make and file with the commissioner any report
20 required by law or requested by the commissioner. . . . The amount of the
21 penalty shall be one hundred dollars (\$100) for each day for the first five
22 days the report or information is overdue and, thereafter, five hundred dollars
23 (\$500) for each day the report or information is overdue.

24 (c) If, after an order has been made under subdivision (b), a request for
25 hearing is filed in writing within 30 days of the date of service of the order
26 by the person to whom the order was directed, a hearing shall be held
27 in accordance with the Administrative Procedure Act, Chapter 5 (commencing
28 with Section 11500) of Part 1 of Division 3 of Title 2 of the Government
Code, and the commissioner shall have all the powers granted under that chapter.

(d) If the person fails to file a written request for a hearing within 30 days
of the date of service of the order, the order imposing the penalty shall be
deemed a final order of the commissioner, and the penalty shall be paid within
five business days.

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(e) If a hearing is requested, the penalty shall be paid within five business days after the effective date of any decision in the case ordering payment to be paid.

Dated: October 21, 2009
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger, Deputy Commissioner