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California Corporations Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10) FILE NO. 963-2201
11 In the Matter of the Accusation of)
12 THE CALIFORNIA CORPORATIONS) **ORDER REVOKING ESCROW AGENT'S**
13 COMMISSIONER,) **LICENSE PURSUANT TO FINANCIAL**
14) **CODE SECTION 17608**
15 Complainant,)
16 v.)
17 CATALINA ESCROW INC.,)
18 Respondent.)

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

20 NOW THEREFORE the California Corporations Commissioner (“Commissioner”), having
21 found that Catalina Escrow Inc. (“Catalina Escrow”) committed the following violations of the
22 Escrow Law of the State of California (Fin. Code, §§ 17000 et seq.) (“Escrow Law”):

- 23 1. Failed to File Annual Audit Report for its Fiscal Year Ended December 31, 2008

24 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
25 file an annual audit report containing audited financial statements (“annual audit report”) within one
26 hundred five days (105) days after the close of their fiscal year. Catalina Escrow’s fiscal year end is
27 December 31st. Catalina Escrow’s annual audit report for its fiscal year ended December 31, 2008
28 was due on or before April 15, 2009. On November 17, 2008, the Commissioner notified Catalina

1 Escrow in writing that its annual audit report was due on April 15th. Catalina Escrow failed to file its
2 annual audit report by the April 15, 2009 deadline in violation of Financial Code section 17406.
3 Thereafter, on June 26, 2009, a follow-up letter was sent to Catalina Escrow concerning its failure to
4 file the 2008 annual audit report. Catalina Escrow was notified in the letter that a failure to file the
5 annual audit report could result in the assessment of penalties, immediate examination of its books
6 and records, suspension and/or the revocation of its license. No annual audit report was filed.

7 Accordingly, on October 21, 2009, in response to Catalina Escrow's failure to file its annual
8 Audit report, the Commissioner issued an Accusation, Order Imposing Penalties and a Notice of
9 Intention to Issue Order Suspending Escrow Agent's License. In response to the Commissioner's
10 actions, Catalina Escrow sent the Commissioner a letter indicating that Catalina Escrow had ceased
11 operations on December 31, 2008, and that its annual audit report was being prepared by its certified
12 public accountant. Nevertheless, Catalina Escrow continued to fail to file its annual audit report for
13 its fiscal year ended December 31, 2008. Consequently, on December 30, 2009, the Commissioner
14 suspended Catalina Escrow's escrow agent's license pursuant to Financial Code section 17608,
15 subdivision (B), on the basis of its failure to file the 2008 annual audit report and pay the penalties
16 imposed by the Commissioner pursuant to his October 21, 2009 Order under Financial Code section
17 17408.

18 2. Cancellation of Surety Bond

19 Catalina Escrow failed to comply with the bonding requirements of the Escrow Law in
20 that effective December 24, 2009, Bond Number 230961, issued by American Contractors Indemnity
21 Company in favor of Catalina Escrow, expired and no replacement bond was obtained in violation of
22 Financial Code section 17202.

23 3. Failure to Pay its Annual Assessment

24 Pursuant to Financial Code section 17207, all licensees are required to pay the Commissioner
25 an annual assessment which is due within thirty (30) days after receipt of notification by the
26 Commissioner. The Commissioner notified Catalina Escrow in writing of its requirement to pay the
27 Commissioner the annual assessment; however, Catalina Escrow never paid its annual assessment in
28 violation of section 17207 of the Financial Code.

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4. Failure to File Annual Audit Report for its Fiscal Year Ended December 31, 2009

Catalina Escrow failed to file its annual audit report for its fiscal year ended December 31, 2009 by the April 15, 2010 filing deadline in violation of Financial Code section 17406.

WHEREFORE, the Commissioner hereby revokes the escrow agent's license of Catalina Escrow Inc. pursuant to Financial Code section 17608 effective this date.

Dated: September 29, 2010

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division