

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Acting Deputy Commissioner
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4 Department of Corporations
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6 Attorneys for Complainant

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

10 In the Matter of the Accusation of THE) File No.: 963-2293
CALIFORNIA CORPORATIONS)
11 COMMISSIONER,) ORDER IMPOSING PENALTIES PURSUANT
12) TO CALIFORNIA FINANCIAL CODE
Complainant,) SECTION 17408
13)
14 vs.)
15 ESSENTIAL ESCROW SERVICES, INC.,)
Respondent.)
17 _____)

18 TO: ESSENTIAL ESCROW SERVICES, INC.
19 3050 Birch Street, Suite 100
20 Brea, California 92821

21 NOW THEREFORE, the California Corporations Commissioner (“Complainant” or
22 “Commissioner”) having found that Essential Escrow Services, Inc. (“Respondent” or “Essential
23 Escrow”) failed to timely file its annual audit report containing audited financial statements for its
24 fiscal year ended December 31, 2007, as required by Financial Code section 17406, Respondent is
25 hereby ordered to pay to the Commissioner penalties of \$100.00 per day for each day the report is
26 late pursuant to Financial Code section 17408.

27 Pursuant to Financial Code section 17406, Respondent was required to submit its annual
28 audit report for the fiscal year ended December 31, 2007 (“2007 audit report”) to the Commissioner

1 on or before April 15, 2008.

2 On or about November 13, 2007, the Commissioner notified Respondent in writing that its
3 2007 audit report was due on April 15, 2008. The Commissioner’s letter informed Respondent that
4 failure to timely file the 2007 audit report could result in assessment of penalties, a special
5 examination, and/or administrative action. Respondent failed to timely file its 2007 audit report by
6 April 15, 2008.

7 Respondent’s 2007 audit report has still not been received by the Department of
8 Corporations. As of the date of this Order, the report is 162 days late. Pursuant to the filing
9 requirement set forth in Financial Code section 17406, the Commissioner is authorized to assess a
10 penalty of \$100.00 for each of the first five days the audit report was overdue and a penalty of
11 \$500.00 for each day thereafter.

12 Financial Code Section 17408, subdivisions (b) through (e), provides as follows:

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

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

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

(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.

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WHEREFORE, Essential Escrow Services, Inc. is hereby ordered to pay the Commissioner the sum of \$16,200.00 for the 162 days the 2007 audit report is late, plus additional penalties of \$100.00 for each day after September 24, 2008 until the report is filed.

Dated: September 24, 2008
Los Angeles, CA

California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner