

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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8

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
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12 In the Matter of THE CALIFORNIA) File No.: 963-2347
CORPORATIONS COMMISSIONER,)
13) ORDER IMPOSING PENALTIES PURSUANT
Complainant,) TO CALIFORNIA FINANCIAL CODE
14) SECTION 17408
15 vs.)
16 HIGGINS AND ARTHUR ESCROW)
COMPANY,)
17)
18 Respondent.)
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20 TO: HIGGINS AND ARTHUR ESCROW COMPANY
21 27307 Highway 189 #104
22 P.O. Box 186
Blue Jay, California 92317

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24 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having
25 found that Higgins and Arthur Escrow Company failed to timely file its annual audit report
26 containing audited financial statements for its fiscal year ended November 30, 2007 as required by
27 Financial Code section 17406, Higgins and Arthur Escrow Company is hereby ordered, pursuant to
28 Financial Code section 17408, to pay to the Commissioner the sum of \$100.00 for each day the

1 audit report was late, for a total of \$5,300.00.

2 Pursuant to Financial Code section 17406, Higgins and Arthur Escrow Company (“Higgins”)
3 was required to submit its annual audit report for the fiscal year ended November 30, 2007 (“2007
4 audit report”) to the Commissioner on or before March 15, 2008.

5 On or about October 9, 2007, the Commissioner notified Higgins in writing that its 2007
6 audit report was due March 15, 2008. Higgins failed to file the 2007 audit report by March 15,
7 2008.

8 On or about March 26, 2008, a follow up letter was sent to Higgins concerning its failure to
9 file the 2007 audit report. Higgins was notified in the letter that failure to file to the 2007 audit
10 report could result in assessment of penalties, a special examination and/or administrative action.

11 Higgins failed to file its audit report until on or about May 9, 2008, or fifty-three (53) days
12 late, despite two written notices.

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

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

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

27 (d) If the person fails to file a written request for a hearing within 30 days
28 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.

(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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Dated: May 19, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel