

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JOHNNY VUONG (CA BAR NO. 249570)  
Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7585 Fax: (213) 576-7181  
6 Attorneys for Complainant

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

10  
11 In the Matter of the Accusation of THE ) File No.: 963-1997  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ORDER IMPOSING PENALTIES PURSUANT  
13 ) TO CALIFORNIA FINANCIAL CODE  
Complainant, ) SECTION 17408  
14 )  
15 vs. )  
16 MAGELLAN EMPIRE ESCROW, INC., )  
17 Respondent. )  
18 \_\_\_\_\_ )

19  
20  
21 TO: MAGELLAN EMPIRE ESCROW, INC.  
7426 Cherry Avenue, Suite 200  
22 Fontana, CA 92336

23  
24 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having  
25 found that Magellan Empire Escrow, Inc. failed to file its 2006 and 2007 annual audit reports  
26 containing audited financial statements for its fiscal year ended December 31, as required by  
27 Financial Code section 17406, Magellan Empire Escrow, Inc. is hereby ordered, pursuant to  
28 Financial Code section 17408, to pay to the Commissioner the sum of \$51,100, plus an additional

1 \$100.00 a day for each day after June 26, 2008 that the 2006 annual audit report is not filed and an  
2 additional \$100.00 a day for each day after June 25, 2008 that the 2007 annual audit report is not  
3 filed.

4 Pursuant to Financial Code section 17406, Magellan Empire Escrow (“Magellan”) was  
5 required to submit its annual audit report for the fiscal year ended December 31, 2006 (“2006 audit  
6 report”) to the Commissioner on or before April 15, 2007 and its 2007 audit report on or before  
7 April 15, 2008 (“2007 audit report”).

8 On or about November 14, 2006, the Commissioner notified Magellan in writing that its  
9 2006 audit report was due April 15, 2007. Magellan failed to file the 2006 audit report by April 15,  
10 2007.

11 On or about May 10, 2007, a follow up letter was sent by certified mail to Magellan  
12 concerning its failure to file the 2006 audit report. Magellan was notified in the letter that failure to  
13 file to the 2006 audit report could result in assessment of penalties, a special examination and/or  
14 administrative action.

15 On or about November 14, 2007, the Commissioner notified Magellan in writing that its  
16 2007 audit report was due April 15, 2008. Magellan failed to file the audit report by April 15, 2008.

17 On or about May 8, 2008, a follow up letter was sent by certified mail to Magellan  
18 concerning its failure to file the audit report. Magellan was notified in the letter that failure to file  
19 the audit report could result in assessment of penalties, a special examination and/or administrative  
20 action.

21 Magellan has not filed an annual report for either the fiscal year ending in December 31,  
22 2006 or the fiscal year ending in December 31, 2007 as required by Financial Code section 17406.

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

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

(c) If, after an order has been made under subdivision (b), a request for

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in accordance with the Administrative Procedure Act, Chapter 5 (commencing 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.

(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: June 26, 2008  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Acting Deputy Commissioner