

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 JOYCE TSAI (CA BAR NO. 241908)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Suite 2034
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6 Attorneys for Complainant

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

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11 CALIFORNIA CORPORATIONS) OAH Case No. 2008070482
12 COMMISSIONER,)
13 Complainant,) SUSPENSION ORDER
14 vs.)
15 MONTEBELLO ESCROW, INC.,)
16 Respondent.)
17)
18)

19 Pursuant to the Settlement Agreement entered into between the California Corporations
20 Commissioner (“Commissioner”) and Montebello Escrow, Inc. (“Montebello Escrow”) on
21 September 26, 2008, attached and incorporated herein as Exhibit 1, it is hereby ordered that the
22 escrow agent’s license issued to Montebello Escrow is suspended for two periods of seven (7)
23 calendar days each, during which periods Montebello Escrow shall not accept any new escrow
24 business, but may continue to service prior and open escrows, in accordance with Financial Code
25 section 17609. The two 7-day suspensions shall take place October 27-November 2, 2008 and
26 November 24-30, 2008.

27 It is further ordered that Montebello Escrow shall file with the Department of Corporations
28 (“Department”) at the close of business on October 26, 2008 and November 23, 2008, a list of all

1 then-open escrows with escrow numbers and escrow party names along with a copy of the signed
2 escrow instructions and signed deposit receipt(s) for the last opened escrow, signed by the owner of
3 Montebello Escrow under penalty of perjury. Open escrow means an escrow wherein the parties to
4 such escrow have already entered into a binding agreement and monies and/or escrow instructions
5 have been submitted to Montebello Escrow regarding the transaction. Additionally, Montebello
6 Escrow is ordered to immediately engage its certified public accountant (“CPA”) firm to review the
7 records of Montebello Escrow after the suspensions have been completed to determine Montebello
8 Escrow’s compliance with this Order and report its findings to the Department within 30 days of
9 completion of the second suspension period. Montebello Escrow’s CPA shall file its report with the
10 Department directly. The Commissioner reserves the right to audit Montebello Escrow for
11 compliance with the suspensions notwithstanding the findings of the CPA review.

12 Pursuant to the terms of the Settlement Agreement, Montebello Escrow admits the following
13 for purposes of this Order and any future proceedings initiated by or brought before the California
14 Corporations Commissioner only:

15 1. Montebello Escrow is, and was at all relevant times, an escrow agent licensed by the
16 Commissioner pursuant to the Escrow Law of the State of California, California Financial Code
17 section 17000 *et seq.* Montebello Escrow’s principal place of business is located at 2539 West Via
18 Campo, Montebello, CA 90640.

19 2. Montebello Escrow’s fiscal year end is December 31. Pursuant to California
20 Financial Code section 17406, subdivision (a), Montebello Escrow’s 2006 annual audit report was to
21 have been received by the Commissioner within 105 days after the close of its fiscal year, or April
22 15, 2007. Its 2007 annual audit report was to have been received by April 15, 2008.

23 3. The Commissioner served Montebello Escrow at its address of record with written
24 demands for its 2006 annual audit report on November 14, 2006 and again on May 10, 2007. The
25 Commissioner served written demands for the 2007 report on November 13, 2007 and again on May
26 8, 2008.

27 4. On July 7, 2008, Montebello Escrow filed its 2006 annual audit report with the
28 Commissioner, 449 days after the April 15, 2007 filing deadline, in violation of Financial Code

1 section 17406, subdivision (a). It filed the 2007 annual audit report on July 11, 2008, which was 87
2 days after the deadline of April 15, 2008.

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DATED: September 26, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
Alan S. Weinger
Acting Deputy Commissioner