

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 Department of Corporations
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6 Fax: (619) 525-4045

7 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 963-2163
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) **ORDER REVOKING ESCROW AGENT’S**
14 Complainant,) **LICENSE PURSUANT TO CALIFORNIA**
15 vs.) **FINANCIAL CODE SECTION 17606**
16 SORRENTO ESCROW, INC.,)
17 Respondent.)
18)

19
20 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) finds
21 that:

- 22 1. The Commissioner issued to the Respondent Sorrento Escrow, Inc. (“Respondent”) an
23 escrow license pursuant to the California Escrow Law (California Financial Code Section 17000 et
24 seq.) on November 8, 2005.
- 25 2. Respondent had its principal place of business at 4909 Murphy Canyon Road, Suite 130,
26 San Diego, California 92123.
- 27 3. Pursuant to California Financial Code section 17406, all licensees under the Escrow Law
28 are required to file an annual audit report containing audited financial statements (“audit report”)

1 within one hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year
2 end was December 31, 2006. Accordingly, Respondent was required to file its audit report on or
3 before April 15, 2007.

4 4. On November 14, 2006, the Commissioner notified Respondent in writing that its audit
5 report was due on April 15, 2007. On May 15, 2007, a follow up letter was sent to Respondent
6 concerning its failure to file the audit report. Respondent was notified in the letter that failure to file
7 the audit report could result in assessment of penalties, a special examination and/or administrative
8 action.

9 5. On March 14, 2008, the Commissioner issued an Order Imposing Penalties Pursuant to
10 Financial Code section 17408 (“Penalty Order”) against Respondent. Respondent was ordered to
11 pay to the Commissioner the sum of \$33,000.00, plus an additional \$100.00 a day for each day after
12 March 14, 2008 that the annual audit report was not filed. Respondent was served on April 25,
13 2008.

14 6. California Financial Code section 17408 provides in pertinent part as follows:

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

18 7. California Financial Code section 17606 states:

19 The commissioner may immediately revoke by order the escrow agent's
20 license if the licensee fails to comply with any order, unless the escrow
21 agent secures a court order restraining the enforcement of the commissioner's
revocation order.

22 8. Respondent failed to challenge the Penalty Order within 30 days of the date of service of
23 the Penalty Order, and failed to pay the penalty. Respondent’s failure to comply with the Penalty
24 Order is grounds under Financial Code section 17606 for the revocation of its escrow agent’s
25 license.

26 ///

27 ///

28 ///

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

THEREFORE, pursuant to California Financial Code section 17606 the escrow license issued to Respondent Sorrento Escrow, Inc. is hereby revoked. This Order is effective as of the date hereof.

Dated: August 27, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner