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10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12 In the Matter of the Accusation of THE) File No.: 963-2163
13 CALIFORNIA CORPORATIONS)
14 COMMISSIONER,) ACCUSATION
)
15 Complainant,)
)
16 vs.)
)
17 SORRENTO ESCROW, INC.,)
18)
19 Respondent.)
)

20
21 The Complainant is informed and believes and based upon such information and belief,
22 alleges and charges as follows:

23 Sorrento Escrow, Inc. (“Respondent”) is an escrow agent licensed by the California
24 Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow Law of the
25 State of California (California Financial Code Section 17000 et seq.).

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II

Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements (“audit report”) within one hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end was December 31, 2006. Accordingly, Respondent was required to file its audit report on or before April 15, 2007.

On or about November 14, 2006, Complainant notified Respondent in writing that its audit report was due April 15, 2007. Respondent failed to file the audit report by the due date.

On or about May 15, 2007, a follow up letter was sent to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file to the audit report could result in assessment of penalties, a special examination and/or administrative action.

Respondent has yet to file the audit report as required by Financial Code section 17406.

III

Financial Code section 17602.5 provides in pertinent part as follows:

If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

IV

Complainant finds that, by reason of the foregoing, Respondent has violated Financial Code section 17406, which constitutes grounds for the suspension of its escrow agent’s license.

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WHEREFORE, IT IS PRAYED that the Respondent's escrow agent's license be suspended until such time as Respondent files its audit report for the fiscal year end December 31, 2006 or for a period of one month, whichever period is greater.

Dated: March 14, 2008
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Afsaneh Eghbaldari
Attorney for Complainant