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California Corporations Commissioner
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9
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,) ORDER IMPOSING PENALTIES PURSUANT
15 Complainant,) TO CALIFORNIA FINANCIAL CODE
16 vs.) SECTION 17408
17)
18 SORRENTO ESCROW, INC.,)
19 Respondent.)

20
21 TO: SORRENTO ESCROW, INC.
Att: President
22 4909 Murphy Canyon Road, Suite 130
23 San Diego, California 92123

24 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having
25 found that Sorrento Escrow, Inc. failed to file its annual audit report containing audited financial
26 statements for its fiscal year ended December 31, 2006 as required by Financial Code section 17406,
27 Sorrento Escrow, Inc. is hereby ordered, pursuant to Financial Code section 17408, to pay to the
28 Commissioner the sum of \$33,400.00, plus an additional \$100.00 a day for each day after March 14,
2008 that the annual audit report is not filed.

1 Pursuant to Financial Code section 17406, Sorrento Escrow, Inc. (“Respondent”) was
2 required to submit its annual audit report for the fiscal year ended December 31, 2006 (“2006 audit
3 report”) to the Commissioner on or before April 15, 2007.

4 On or about November 14, 2006, the Commissioner notified Respondent in writing that its
5 2006 audit report was due April 15, 2007. Respondent failed to file the 2006 audit report by April
6 15, 2007.

7 On or about May 15, 2007, a follow up letter was sent to Respondent concerning its failure to
8 file the 2006 audit report. Respondent was notified in the letter that failure to file the 2006 audit
9 report could result in assessment of penalties, a special examination and/or administrative action.

10 Respondent has yet to file the 2006 audit report as required by Financial Code section 17406.

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

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

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

25 (d) If the person fails to file a written request for a hearing within 30 days
26 of the date of service of the order, the order imposing the penalty shall be
27 deemed a final order of the commissioner, and the penalty shall be paid within
28 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.

26 Dated: March 14, 2008
27 San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

28 By _____
Alan Weinger, Lead Corporations Counsel