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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 SUSPENDING ESCROW AGENT’S  
15 Complainant, ) LICENSE PURSUANT TO CALIFORNIA  
16 vs. ) FINANCIAL CODE SECTION 17608  
17 )  
18 SORRENTO ESCROW, INC., )  
19 Respondent. )

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

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

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

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

7 7. On or about May 15, 2007, a follow up letter was sent to Respondent concerning its  
8 failure to file the audit report.

9 8. Respondent was notified in the letter that failure to file the audit report could result in  
10 assessment of penalties, a special examination and/or administrative action.

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

13 10. California Financial Code section 17602.5 provides in pertinent part as follows:

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

18 11. California Financial Code section 17608 provides in pertinent part:

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

21 (a) The licensee has failed to maintain in effect a bond required under the provisions  
of this division.

22 (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.

23 (c) Any fact or condition exists which, if it had existed at the time of the original  
24 application for such license, reasonably would have warranted the commissioner in  
25 refusing originally to issue such license.

26 12. On March 14, 2008, the Commissioner issued a Notice of Intent to Issue Order  
27 Suspending Escrow Agent’s License. Respondent was served on April 25, 2008.

28 13. The Department has not received a request for a hearing from Respondent and the time

1 within which to request a hearing has expired.

2 14. The Commissioner finds that, by reason of the foregoing, Respondent has violated  
3 California Financial Code section 17406, which constitutes grounds for the suspension of its escrow  
4 agent's license.

5 THEREFORE, pursuant to California Financial Code section 17608 the escrow license  
6 issued to Respondent Sorrento Escrow, Inc. is hereby suspended from May 14, 2008 until at least  
7 June 14, 2008 and if the audit report remains unfiled, then the suspension shall remain in effect  
8 until further Order of the Commissioner. This Order is effective as of the date hereof.

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10 Dated: May 14, 2008

11 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

12  
13 By \_\_\_\_\_

14 ALAN S. WEINGER,  
15 Lead Corporations Counsel

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