

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Acting Deputy Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation of THE) File No.: 963-1997
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13)
Complainant,)
14)
15 vs.)
16 MAGELLAN EMPIRE ESCROW, INC.,)
17 Respondent.)
18 _____)

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

24 I.

25 Magellan Empire Escrow, Inc. (“Respondent” or “Magellan”) is an escrow agent licensed by
26 the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the
27 Escrow Law of the 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. Magellan’s fiscal year end is December 31. Accordingly, Respondent was required to file its 2006 audit report on or before April 15, 2007 and its 2007 audit report on or before April 15, 2008.

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

On or about May 10, 2007, a follow up letter was sent by certified mail to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file the audit report could result in assessment of penalties, a special examination and/or administrative action.

On or about November 14, 2007, Complainant notified Respondent in writing that its 2007 audit report was due April 15, 2008. Respondent failed to file the audit report by April 15, 2008.

On or about May 8, 2008, a follow up letter was sent by certified mail to Respondent concerning its failure to file the audit report. Respondent was notified in the letter that failure to file the audit report could result in assessment of penalties, a special examination and/or administrative action.

Respondent has not filed an annual report for either the fiscal year ending in December 31, 2006 or the fiscal year ending in December 31, 2007.

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:

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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, and it is in the best interests of the public to revoke the escrow agent’s license of Respondent Magellan Empire Escrow, Inc.

WHEREFORE, IT IS PRAYED that the escrow agent license of Respondent Magellan Empire Escrow, Inc. be revoked.

Dated: June 26, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Johnny Vuong
Corporations Counsel