

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
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Corporations Counsel
4 Department of Corporations
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5 Los Angeles, California 90013-2344
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6 Attorneys for Complainant

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,) ORDER IMPOSING PENALTIES PURSUANT
13) TO CALIFORNIA FINANCIAL CODE
Complainant,) SECTION 17408
14)
15 vs.)
16 MAGELLAN EMPIRE ESCROW, INC.,)
17 Respondent.)
18)

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21 TO: MAGELLAN EMPIRE ESCROW, INC.
22 7426 Cherry Avenue, Suite 200
23 Fontana, CA 92336

24 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having
25 found that Magellan Empire Escrow, Inc. failed to file its 2006 and 2007 annual audit reports
26 containing audited financial statements for its fiscal year ended December 31, as required by
27 Financial Code section 17406, Magellan Empire Escrow, Inc. is hereby ordered, pursuant to
28 Financial Code section 17408, to pay to the Commissioner the sum of \$51,100, plus an additional

1 \$100.00 a day for each day after June 26, 2008 that the 2006 annual audit report is not filed and an
2 additional \$100.00 a day for each day after June 25, 2008 that the 2007 annual audit report is not
3 filed.

4 Pursuant to Financial Code section 17406, Magellan Empire Escrow (“Magellan”) was
5 required to submit its annual audit report for the fiscal year ended December 31, 2006 (“2006 audit
6 report”) to the Commissioner on or before April 15, 2007 and its 2007 audit report on or before
7 April 15, 2008 (“2007 audit report”).

8 On or about November 14, 2006, the Commissioner notified Magellan in writing that its
9 2006 audit report was due April 15, 2007. Magellan failed to file the 2006 audit report by April 15,
10 2007.

11 On or about May 10, 2007, a follow up letter was sent by certified mail to Magellan
12 concerning its failure to file the 2006 audit report. Magellan was notified in the letter that failure to
13 file to the 2006 audit report could result in assessment of penalties, a special examination and/or
14 administrative action.

15 On or about November 14, 2007, the Commissioner notified Magellan in writing that its
16 2007 audit report was due April 15, 2008. Magellan failed to file the audit report by April 15, 2008.

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

21 Magellan has not filed an annual report for either the fiscal year ending in December 31,
22 2006 or the fiscal year ending in December 31, 2007 as required by Financial Code section 17406.

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

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

(c) If, after an order has been made under subdivision (b), a request for

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hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in accordance with the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted under that chapter.

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

Dated: June 26, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Acting Deputy Commissioner