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

12 CALIFORNIA CORPORATIONS) File No.: 963-2074
COMMISSIONER,)
13) ACCUSATION
Complainant,)
14)
15 vs.)
16 MONTEBELLO ESCROW, INC.,)
17)
Respondent.)
18)
19)

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

22 I

23 Montebello Escrow, Inc. (“Respondent” or “Montebello”) is an escrow agent licensed by the
24 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow
25 Law, California Financial Code Section 17000 *et seq.* Respondent’s license was issued on July 7,
26 2004.

27 II

28 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to

1 file an annual audit report containing audited financial statements (“audit report”) within one
2 hundred and five (105) days after the close of their fiscal year. Respondent’s fiscal year end is
3 December 31. Accordingly, Respondent was required to file its 2006 audit report on or before April
4 15, 2007. Respondent was required to file its 2007 audit report on or before April 15, 2008.

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

7 On or about May 10, 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 to the audit report
9 could result in assessment of penalties, a special examination and/or administrative action.

10 Respondent received Complainant’s letter, sent by certified mail, on May 11, 2007.

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

12 On or about November 13, 2007, Complainant notified Respondent in writing that its audit
13 report for 2007 was due on April 15, 2008. Respondent failed to file the audit report by April 15,
14 2008.

15 On or about May 8, 2008, Complainant sent a follow-up letter to Respondent concerning
16 Respondent’s failure to file the 2007 audit report. Respondent was notified in writing that the failure
17 to file the report could result in assessment of penalties, a special examination and/or administrative
18 action.

19 Respondent has yet to file the 2007 audit report as required by Financial Code section 17406.

20 III

21 Financial Code section 17602.5 provides in pertinent part as follows:

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

26 Financial Code section 17608 provides in pertinent part:

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

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(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 repeatedly violated Financial Code section 17406, which constitutes grounds for the revocation of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be revoked pursuant to Financial Code sections 17602.5 and 17608.

Dated: June 16, 2008
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Joyce Tsai
Corporations Counsel