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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. SC ESCROW SERVICES, INC., Respondent.	File No.: 963-0748 ORDER IMPOSING PENALTIES PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 17408

TO: SC ESCROW SERVICES, INC.
500 Pier Avenue
Hermosa Beach, California 90254

NOW THEREFORE, the Corporations Commissioner ("Complainant" or "Commissioner") of the California Department of Corporations ("Department") having found that SC Escrow Services, Inc. ("Respondent" or "SC Escrow") failed to timely file its annual audit report containing audited financial statements for its fiscal year ended September 30, 2009, as required by Financial Code section 17406, Respondent is hereby ordered to pay to the Commissioner penalties of $950.00 pursuant to Financial Code section 17408.

Under Financial Code section 17406, Respondent was required to submit its annual audit report for the fiscal year ended September 30, 2009 ("2009 audit report") to the Department on or

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before January 15, 2010.

On or about August 18, 2009, the Department notified Respondent in writing that its 2009 audit report was due on January 15, 2010. The Department's letter informed Respondent that failure to timely file the 2009 audit report could result in assessment of penalties, a special examination, and/or administrative action.

On or about February 2, 2010, the Department issued a 10-day demand letter advising Respondent to immediately file its 2009 audit report which was due on January 15, 2010. The Department's letter again informed Respondent that failure to timely file the 2009 audit report could result in assessment of penalties, a special examination, and/or administrative action.

Respondent's 2009 audit report was not received by the Department until March 3, 2010, or 19 days after the expiration date set forth in the10-day demand letter which was received by Respondent on February 4, 2010.

Pursuant to the filing requirement set forth in Financial Code section 17408, the Commissioner is authorized to assess a penalty up to $100.00 for each of the first five days the audit report is overdue and a penalty up to $500.00 for each day thereafter until the report is received. Accordingly, a penalty of $50.00 shall be assessed for the first five days Respondent's 2009 audit report was overdue and a penalty of $100.00 for each of the 14 days thereafter, totaling $950.00.

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

> (b) The commissioner may impose, by order, a penalty on any person who fails, within the time specified in any written demand of the commissioner, (1) to make and file with the commissioner any report required by law or requested by the commissioner.. . . The amount of the 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.
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> (c) If, after an order has been made under subdivision (b), a request for 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.
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> (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

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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.

WHEREFORE, SC Escrow Services, Inc. is hereby ordered to pay the Commissioner the sum of $950.00 for the 19 days the 2009 audit report was late.

Dated: October 28, 2010
Los Angeles, CA

California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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