PRESTON DuFAUCHARD
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, v. SHEKINAH ESCROW, INC., Respondent.	File No.: 963-1295 **ORDER IMPOSING PENALTIES PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 17408**

TO: SHEKINAH ESCROW, INC.

NOW THEREFORE the California Corporations Commissioner ("Commissioner") having found that Shekinah Escrow, Inc. ("Shekinah Escrow") failed to timely file its annual audit report containing audited financial statements for its fiscal year ended September 30, 2010 as required by California Financial Code section 17406, it is hereby ordered, pursuant to California Financial Code section 17408, that Shekinah Escrow pay the Commissioner the sum of seventy nine thousand dollars ($79,000), as of the date of this Order, and said penalties shall continue to accrue at the rate of five hundred dollars ($500) per day until the report is filed.

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Pursuant to California Financial Code section 17406, all licensees under the Escrow Law are required to file an annual audit report containing audited financial statements ("annual audit report") within one hundred five (105) days after the close of their fiscal year. Shekinah Escrow's fiscal year-end is September 30th. Accordingly, Shekinah Escrow was required to file its annual audit report for the fiscal year ended September 30, 2010, on or before January 15, 2011.

On August 10, 2010, the Commissioner notified Shekinah Escrow in writing that its annual audit report was due by January 15, 2011. The Commissioner further notified Shekinah Escrow of the fact that its failure to file an annual report by January 15, 2011 could result in the imposition of penalties calculated at $100 per day for the first five days the report is overdue and $500 per day thereafter, in accordance with the provisions of section 17408 of the California Financial Code.

Shekinah Escrow failed to submit its annual audit report to the Commissioner. On February 10, 2011, the Commissioner issued a written demand for the imposition of penalties against Shekinah Escrow concerning the annual audit report that was due on January 15, 2011. According to the Commissioner's demand letter, if the annual audit report was not received before February 20, 2011, penalties would begin to accrue against Shekinah Escrow in accordance with section 17408 of the California Financial Code.

Shekinah Escrow has yet to file its annual audit report as required under California Financial Code section 17406. Shekinah Escrow's annual audit report is one hundred sixty-two (162) days late, as of the date of this Order. Accordingly, pursuant to California Financial Code section 17408, Shekinah Escrow owes the Commissioner penalties in the amount of seventy nine thousand dollars ($79,000), calculated at one hundred dollars ($100) per day for the first five days the report was overdue and five hundred dollars ($500) per day thereafter.

Financial Code section 17408, subdivisions (b) - (e) provide 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 may not exceed one hundred dollars ($100) for each day for the first five days the report or information is overdue, and thereafter may not exceed 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.

(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 made.

DATED: August 1, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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