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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. ROSE ESCROW, INC., Respondent.	File No.: 963-1942 **ORDER IMPOSING PENALTIES PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 17408**

TO: ROSE ESCROW, INC.
5504 Van Nuys Boulevard
Sherman Oaks, California 91401

NOW THEREFORE the California Corporations Commissioner ("Commissioner") having found that Rose Escrow, Inc. ("Rose Escrow") failed to timely file its annual audit report containing audited financial statements ("annual audit report") for its fiscal year ended April 30, 2011 as required by Financial Code section 17406, it is hereby ordered, pursuant to Financial Code section 17408, that Rose Escrow pay the Commissioner the sum of $1,000.00.

Pursuant to Financial Code section 17406, Rose Escrow was required to submit its annual audit report for the fiscal year ended April 30, 2011 to the Commissioner on or before August 15, 2011.

On or about March 9, 2011, the Commissioner notified Rose Escrow in writing that its annual

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audit report was due by August 15, 2011. The Commissioner also notified Rose Escrow that its failure to file the annual audit report by August 15, 2011 could result in the imposition of fines calculated at $100.00 per day for the first five days the report is overdue and $500.00 per day thereafter in accordance with the provisions of section 17408 of the Financial Code.

Rose Escrow failed to submit its 2011 annual audit report to the Commissioner by August 15, 2011.

On or about August 23, 2011, the Commissioner issued a written 10-Day Demand for Annual Report ("Demand") that was due on August 15, 2011. According to the Commissioner's Demand, if the annual audit report was not received within 10 days of the date of the Demand, penalties would begin to accrue against Rose Escrow in accordance with section 17408 of the Financial Code.

On or about September 6, 2011, 22 days from the expiration of the Demand, Rose Escrow filed its annual audit report.

Rose Escrow has a history of filing its annual audit report late. In 2010, it filed its annual audit report 79 days late and in 2009, its annual audit report was 204 days late. There was no action taken for the late filing in 2010, since Rose Escrow was going through a stock transfer. Instead, the new owners provided to the Commissioner a letter of assurance that they understood that future reports would have to be filed on time. Yet despite previous warnings and a written assurance from the new owners, Rose Escrow's annual audit report for 2011 was filed late.

Financial Code section 17408, in relevant parts 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 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.

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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 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: March 14, 2012
Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner

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