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10 BEFORE THE DEPARTMENT OF CORPORATIONS
 11 OF THE STATE OF CALIFORNIA
 12

13 In the Matter of the Accusation of THE) File No.: 963-2395
 14 CALIFORNIA CORPORATIONS)
 15 COMMISSIONER,) FIRST AMENDED ACCUSATION
)
 16 Complainant,)
)
 17 vs.)
)
 18 ROCK & ROLL ESCROW, INC.,)
)
 19 Respondent.)
 20)

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

24 I

25 ROCK & ROLL ESCROW, INC. (“Respondent” or “ROCK & ROLL”) is an escrow agent
 26 licensed by the California Corporations Commissioner ("Commissioner" or "Complainant") pursuant
 27 to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).
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1 **II**

2 Pursuant to Financial Code section 17406, all licensees under the Escrow Law are required to
3 file an annual audit report containing audited financial statements (“Annual Report”) within one
4 hundred and five (105) days after the close of their fiscal year.

5 ROCK & ROLL’s original fiscal year end was June 30, 2007 (“Original Fiscal Year End
6 Date”). Accordingly, Respondent was originally required to file its Annual Report on or before
7 October 15, 2007 (“Original Annual Report Due Date”).

8 On or about May 21, 2007, Complainant notified Respondent in writing of Respondent’s
9 Original Annual Report Due Date. Respondent failed to file the Annual Report by the Original
10 Annual Report Due Date. On or about October 25, 2007, a follow up letter was sent to Respondent
11 concerning its failure to file the Annual Report. Respondent was notified in the letter that failure to
12 file to the Annual Report could result in assessment of penalties, a special examination and/or
13 administrative action.

14 Respondent subsequently notified the Commissioner that their fiscal year ending had
15 changed. Respondents’ notice, dated March 13, 2008 and received by the Commissioner on March
16 19, 2008, stated that Respondents revised fiscal year end date was November 30, 2007 (“Revised
17 Fiscal Year End Date”). Respondent was therefore required to file its Annual Report on or before
18 March 15, 2008 (“Revised Annual Report Due Date”).

19 To date, Respondent has yet to file the Original Fiscal Year End Date Annual Report or the
20 Revised Fiscal Year End Date Annual Report as required by Financial Code section 17406.

21 **III**

22 Financial Code section 17602.5 provides in pertinent part as follows:
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24 If any licensed escrow agent fails to make any reports required by law
25 or by the commissioner within ten (10) days from the date designated
26 for the making of the reports, or within any extension of time granted
27 by the commissioner, . . . such failure shall constitute grounds for
28 the suspension or revocation of the license held by such escrow agent.

Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to

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be heard, suspend or revoke any license if he finds that:

(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, ROCK & ROLL has violated Financial Code section 17406, which constitutes grounds for the suspension of its escrow agent’s license.

WHEREFORE, IT IS PRAYED that the Respondent's escrow agent’s license be suspended until such time as Respondent files its Annual Report for the fiscal year originally ending in June 30, 2007, revised to the fiscal year ending in October 15, 2007 or for a period of one month, whichever period is greater.

Dated: April 17, 2008
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Marisa I. Urteaga-Watkins
Corporations Counsel