

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: RDTC, Inc.
5 Roni Deutch
6 4815 Watt Avenue
7 North Highlands, CA 95660

File No. 995-3957

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9 STATEMENT IN SUPPORT OF ORDER
10 REVOKING FRANCHISE REGISTRATION
11 (Corporations Code section 31117)

12 The California Corporations Commissioner finds that:

13 1. RDTC, Inc. is a California corporation that filed (corporation file number C2857432) with
14 the California Secretary of State's Office on March 8, 2006. Its principal place of business is 4815
15 Watt Avenue, North Highlands, CA 95660. RDTC, Inc. filed an application and renewal statements
16 pursuant to Corporations Code section 31121 with the Department of Corporations for franchise
17 registrations to sell franchises for a chain of tax preparation stores.

18 2. During all relevant times Roni Deutch, Esq. was the president, Chief Executive Officer,
19 major owner and agent for RDTC, Inc. and her affiliated corporation, Roni Deutch, A Professional
20 Tax Corporation, which also does business as the Law Offices of Roni Deutch. Roni Deutch as the
21 President and Chief Executive Officer of RDTC, Inc. from the date of its incorporation to October
22 2010, acted as one of its principal officers and directors in fact, exercising management responsibility
23 and control with regard to all facets of its operations, including the franchises offered by RDTC, Inc.
24 In addition, Roni Deutch arranged for RDTC, Inc. to become significantly indebted to her affiliated
25 company, Roni Deutch, A Professional Tax Corporation.

26 3. On August 6, 2010, RDTC, Inc. filed a renewal statement and the Department of
27 Corporations issued an Order approving RDTC, Inc.'s renewal application for franchise registration
28 effective on August 11, 2010.

1 4. However, at the time RDTC, Inc. filed its franchise renewal statement, Roni Deutch and
2 Roni Deutch, A Professional Tax Corporation also doing business as the Law Offices of Roni Deutch
3 were under investigation by the California Attorney General's office. In fact, they were served with
4 investigative subpoenas on February 16, 2010. On August 24, 2010, the Attorney General's Office
5 filed a civil complaint against Roni Deutch and Roni Deutch, A Professional Tax Corporation,
6 alleging violations of Business and Professions Code sections 17200 and 17500 seeking restitution of
7 not less than \$33,945,000.

8 5. Thus, during the period from early 2010 until at least January 2011, and specifically during
9 the pendency of the renewal application for franchise registration, RDTC, Inc., failed to disclose to
10 the Department of Corporations the California Attorney General's investigation and its subsequent
11 civil complaint against Roni Deutch and Roni Deutch, A Professional Tax Corporation,.

12 6. Additionally, from February 16, 2010 and continuing thereafter, RDTC, Inc. offered or
13 sold franchises to individual California purchasers by means of written and oral communications and
14 omitted to state material facts necessary in order to make the statements made in light of the
15 circumstances under which they were made, not misleading, so as to induce potential franchisees to
16 purchase franchises. RDTC, Inc. failed to tell the individual California franchisees about the above-
17 described investigation and civil complaint by the Attorney General's Office as required by the
18 provisions of the Franchise Investment Law in violation of Corporations Code section 31201.

19 7. RDTC, Inc. and Roni Deutch failed to notify the California Corporations Commissioner in
20 writing, by registration application, about the above-described investigation and civil complaint by
21 the Attorney General's Office in violation of California Corporations Code section 31200.

22 8. While offering franchise opportunities from 2010 to the present, RDTC, Inc. and Roni
23 Deutch also failed to disclose that the Sacramento Superior Court had issued an injunction against
24 Roni Deutch and her corporation for unlawful and unfair business practices, which also resulted in
25 appointment of a receiver.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that Roni Deutch and RDTC, Inc. have failed to comply with certain provisions of the
28 Franchise Investment Law within the meaning of Corporations Code sections 31200, 31201 and

1 31115(a); that the sale of the franchise would constitute misrepresentation to, or deceit or fraud of
2 the purchasers within the meaning of Corporations Code sections 31115(b); and that the involvement
3 of these persons in the sale of management of the franchises creates an unreasonable risk to
4 prospective franchisees within the meaning of Corporations Code section 31115(d).

5 For these reasons, the California Corporations Commissioner has determined that an order
6 should be issued pursuant to California Corporations Code sections 31115(a), 31115(b) and 31115
7 (d)(1) to revoke the franchise registration.

8 Dated: July 6, 2011
9 San Francisco, California

10 PRESTON DuFAUCHARD
11 California Corporations Commissioner

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13 By _____
14 JOAN E. KERST
15 Senior Corporations Counsel
16 Enforcement Division
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