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BEFORE THE DEPARTMENT OF FINANC	CIAL PROTECTION AND INNOVATION				
OF THE STATE OF CALIFORNIA					
In the matter of:)				
THE COMMISSIONED OF FINANCIAL) CDDTL LICENCE NO . 1000071				
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,) CDDTL LICENSE NO.: 1000871				
PROTECTION AND INNOVATION,					
Complainant,) ACCUSATION IN SUPPORT OF ORDER				
V.) REVOKING CALIFORNIA DEFERRED				
) DEPOSIT TRANSACTION LAW LICENSE				
CYCO FINANCIAL SERVICES CENTER, INC.	OF RESPONDENT CYCO FINANCIAL				
	SERVICES CENTER, INC.				
Respondent.)				
	<u> </u>				
Complainant, the Commissioner of Financia	l Protection and Innovation (Commissioner) is				
informed and believes, and based upon such information	ation and belief, alleges and charges Respondent				
Cyco Financial Services Center, Inc. as follows:					
I.					
<u>Introduction</u>					
1. The Commissioner has jurisdiction over the licensing and regulation of persons and					
entities engaged in originating deferred deposit trans	sactions under the California Deferred Deposit				
Transaction Law (CDDTL) (Fin. Code § 23000 et. s	seq).				
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ACCUSATION					

advances" or "payday loans."

Cyco Financial Services Center, Inc. (Cyco) is a California corporation licensed as a California deferred deposit transaction originator pursuant to the CDDTL with the license number 1000871. Cyco's principal place of business is located at 2037 B South Broadway, Santa Maria, California 93454.
A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check along with an agreement that the personal check shall not be deposited until a later date. These transactions are also referred to as "payday"

II.

Failure to Maintain Books and Records or Respond to the Commissioner's Demand

- 4. Financial Code section 23048(b) states that "The Commissioner may require the production for examination in this state of all books, records, and supporting data used by the licensee in the preparation of reports to the commissioner. The books, records, and supporting data shall be made available for examination by the commissioner in this state within 10 days after a written demand."
- 5. On November 30, 2023, the Commissioner commenced a regulatory examination of the books and records of Cyco (2023 Examination). Prior to starting the 2023 Examination, the Commissioner requested that Cyco provide books and records including but not limited to, the most recent quarterly financial statements as of December 31, 2022, March 31, 2023, June 30, 2023, and September 30, 2023, prepared in accordance with Generally Accepted Accounting Principles (GAAP).
- 6. Cyco did not provide quarterly financial statements for the time frame requested and the documents it provided were not prepared in accordance with GAAP.
- 7. On June 18, 2024, the Examiner (Examiner) assigned to the 2023 Examination sent another request to Cyco via email demanding it produce the last four quarterly Balance Sheets and Income Statements as of December 31, 2022, March 31, 2023, June 30, 2023, and September 30, 2023, prepared in accordance with GAAP. Cyco failed to respond to the June 18, 2024 email.

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8. On August 9, 2024, the Examiner sent another request to Cyco via email requesting			
the four quarterly Balance Sheets and Income Statements. Cyco failed to respond to the August 9,			
2024 email. In addition, the Examiner attempted to contact Cyco by telephone to no avail.			
9. On November 1, 2024, the Commissioner sent a Demand Letter (Demand Letter) to			
Cyco requesting that it produce the last four quarterly Balance Sheets and Income Statements as of			
December 31, 2022, March 31, 2023, June 30, 2023, and September 30, 2023 pursuant to Financial			
Code section 23048 within 10 days from the date of the letter.			
10 To date Cyco has failed to provide the documents requested from the Commissione			

III.

Failure to Maintain Records to Determine Net Worth

- 11. Financial Code section 23007 and California Code of Regulations section 2025(b) require each licensee to maintain records demonstrating minimum net worth requirements.
- During the 2023 Examination, the Examiner determined that Cyco did not maintain 12. the required records to determine compliance with Financial Code section 23007.

IV.

Revocation Statute

13. Financial Code section 23007 provides as follows:

> The applicant shall file with the application financial statements prepared in accordance with generally accepted accounting principles and acceptable to the commissioner that indicate a net worth of at least twentyfive thousand dollars (\$25,000). A licensee, regardless of the number of licensed locations, shall maintain a net worth of at least twenty-five thousand dollars (\$25,000) at all times.

14. Financial Code section 23052 provides in pertinent part:

> The commissioner may suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

(a) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

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this division.

	3	3 (c) A fact or condition exists that, if it had existed at the tin	ne of the			
	4 5	original application for the license, reasonably would have				
	6 V.					
	7					
	8	13. By reason of the foregoing, Cyco has violated provisions of	f the Financial Code by: (i)			
	9	n GAAP and good business				
	practices, in violation of section 2026 of the California Code of Regulations; (ii) failing to mai					
	23007; and (iii) failing to					
	12	produce books and records 10 days after a written demand by the Commis	sioner in violation of			
	13	Financial Code section 23048(b).				
	14	14 VI.				
15		15 Prayer				
	16					
4	17	WHEREFORE, Complainant, the Commissioner of Financial Protection and				
	18	Innovation, prays that the deferred deposit transaction license number 1000871 issued to				
	19	Cyco be revoked pursuant to Financial Code section 23052.				
	20	20 Dated: December 20, 2024 CLOTHILDE V. HEWLETT	•			
	21	21 Los Angeles, California Commissioner of Financial P	rotection and Innovation			
	22					
	23	By NAMI R. KANG				
	24	Senior Counsel				
	25	Enforcement Division				
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(b) The licensee has violated any provision of this division or any rule or

regulation made by the Commissioner under and within the authority of