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9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

11 In the Matter of)
12 THE CALIFORNIA CORPORATIONS) File No.: 100-1513
13 COMMISSIONER,)
14 Complainant,) ORDER REVOKING CALIFORNIA
DEFERRED DEPOSIT TRANSACTION
15 vs.) LAW LICENSE PURSUANT TO
FINANCIAL CODE SECTION 23052
16 Martin Hoyt dba A-1 Check Cashing of Orland,)
17 Respondent.)
18)
19)
20)

21 Complainant, the California Corporations Commissioner, (“Commissioner”) of the
22 Department of Corporations ("Department") finds:

23 1. Respondent, Martin B. Hoyt dba A-1 Check Cashing of Orland (File # 100-1513) is
24 located at 801 Fourth Street, Suite B, Orland, Ca 95963.

25 On December 31, 2004, and continuing thereafter the Commissioner issued to Respondent,
26 a deferred deposit transaction originator license pursuant to the California Deferred Deposit
27 Transaction Law (“CDDTL”) set forth in California Financial Code section 23000 et seq. (All
28 future references to sections are to the California Financial Code unless indicated otherwise.)

2. Since at least January 1, 2005, Respondents have engaged in the business of deferred

1 deposit transactions by offering, originating and making deferred deposit transactions. A deferred
2 deposit transaction is a written transaction whereby one person gives funds to another person upon
3 receipt of a personal check along with an agreement that the personal check shall not be deposited
4 until a later date. These transactions are also referred to as “payday advances” or “payday loans.”

5 3. Complainant in his Desist And Refrain Order, Citations and Order To Void Deferred
6 Deposit Transactions And In His Statement In Support Of Desist And Refrain Order, Citations And
7 Order To Void Deferred Deposit Transactions alleged Respondent violated numerous provisions of
8 the CDDTL rules and regulations thereunder. Thus, Respondent issued a Desist and Refrain Order
9 pursuant to section 23050, issuance of citations and voiding of loans made pursuant to sections
10 23058 and 23060, respectively.

11 4. Section 23058 gives the Commissioner authority to issues citations and, in part, states:

12 (a) If, upon inspection, examination or investigation, based upon a
13 complaint or otherwise, the department has cause to believe that a person
14 is engaged in the business of deferred deposit transactions without a
15 license, or a licensee or person is violating any provision of this division
16 or any rule or order thereunder, the department may issue a citation to that
17 person in writing, describing with particularity the basis of the citation.
18 Each citation may contain an order to desist and refrain and an assessment
19 of an administrative penalty . . .

20 5. Section 23060 states:

21 (a) If any amount other than, or in excess of, the charges or fees permitted
22 by this division is willfully charged, contracted for, or received, a deferred
23 deposit transaction contract shall be void, and no person shall have any
24 right to collect or receive the principal amount provided in the deferred
25 deposit transaction, any charges, or fees in connection with the transaction.

26 (b) If any provision of this division is willfully violated in the making or
27 collection of a deferred deposit transaction, the deferred deposit
28 transaction contract shall be void, and no person shall have any right to
collect or receive any amount provided in the deferred deposit transaction,
any charges, or fees in connection with the transaction.

6. Section 23052 states:

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

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(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.

(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 this division.

(c) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

7. Respondents pursuant to a settlement agreement agree to, inter alia, the issuance by the Commissioner pursuant to section 23052 of an Order Revoking Respondent’s CDDTL license, to be effective March 29, 2008. The settlement agreement is incorporated herein by reference.

NOW, BASED UPON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of section 23052 that Respondent’s CDDTL license is revoked. This revocation precludes Respondent from engaging in any CDDTL transactions with either new or existing clients but does not preclude Respondent from engaging in collection activities that permit: (1) receipt of cash from customers for existing transactions entered into before March 29, 2008; (2) forwarding any checks received from Respondents’ clients to Respondents’ bank for deposit relating to transactions entered into before March 29, 2008; (3) responding to regulatory inquiries from the Department of Corporations or other agencies; (4) making the Citation Payment and Refunds described in the settlement agreement; and, (5) otherwise responding to customer inquiries concerning existing transactions.

Dated: March 28, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Attorney for Complainant