

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
4 Department of Corporations
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant

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

10
11 In the Matter of the Statement of Issues of THE) File Nos.: 100-2512 & 100-2513
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) STATEMENT OF ISSUES
13)
Complainant,)
14)
15 vs.)
16 ALTA DENA EXPRESS,)
17 Respondent.)
18 _____)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 I
23 INTRODUCTION

24 The proposed orders seek to deny the issuance of deferred deposit transaction licenses to Alta
25 Dena Express ("Alta Dena") pursuant to California Financial Code section 23011(a)(3) in that Alta
26 Dena has committed numerous violations of the California Deferred Deposit Transaction Law
27 ("CDDTL") and has made a false statement of material fact in its applications.
28

II

THE APPLICATIONS

1
2
3 On March 10, 2005, Alta Dena, a general partnership, filed two (2) applications for deferred
4 deposit transaction licenses (File Nos. 100-2512 and 100-2513 hereinafter "applications") with the
5 California Corporations Commissioner ("Complainant" or "Commissioner") pursuant to the CDDTL
6 (Financial Code sections 23000 *et. seq.*), in particular, California Financial Code section 23005. The
7 applications were for locations situated at 11302 E. Washington Boulevard, Whittier, California
8 90606 and 10411 South Prairie Avenue, Inglewood, California 90303. The applications identified
9 Sunita Rancchodlal Patel ("S. Patel") and Kaushik Manilal Patel ("K. Patel") as the general partners.
10 S. Patel verified the applications as a partner of Alta Dena. Alta Dena has not filed any previous
11 CDDTL application(s) with the Commissioner and does not currently hold any CDDTL licenses
12 issued by the Commissioner.

13 Included with the applications was a letter from S. Patel stating "Our Company was doing the
14 business of deffer (sic) Deposit transaction when we received the letter from the Dept. of Corpo.
15 (sic) Stated (sic) that we require new license to do the deffer (sic) deposit transactions. So, we stop
16 doing the deffer (sic) deposit transactions."

III

DEFERRED DEPOSIT TRANSACTION LAW VIOLATIONS

17
18
19 On or about June 23, 2005, the Commissioner commenced an examination of Alta Dena to
20 determine if Alta Dena was engaging in unlicensed deferred deposit transaction business. The
21 examination revealed that Alta Dena had originated at least 41 deferred deposit transactions at its
22 Whittier location since at least January 1, 2005 through at least June 23, 2005 in violation of
23 California Financial Code section 23005.

24 Alta Dena was specifically aware that a CDDTL license was required in order to engage in
25 the business of deferred deposit transactions as Alta Dena had received a written notice to this effect
26 from the Commissioner on or about February 8, 2005. The February 8, 2005 letter specifically
27 informed Alta Dena that it could not engage in the business of deferred deposit transactions unless
28 and until it obtained a CDDTL license(s) from the Commissioner.

1 Moreover, as noted above, Alta Dena had applied with the Commissioner for two (2)
2 CDDTL licenses on March 10, 2005. On or about March 30, 2005, the Commissioner issued a
3 deficiency letter to Alta Dena regarding the applications. The March 30, 2005 letter again reiterated
4 to Alta Dena that it could not engage in the business of deferred deposit transactions unless and until
5 it obtained a CDDTL license(s) from the Commissioner.

6 Alta Dena continued to engage in the business of deferred deposit transactions as
7 described above notwithstanding two written notifications regarding licensure and a written
8 representation from Alta Dena that such unlicensed activities had ceased.

9 IV

10 FALSE STATEMENT IN APPLICATIONS

11 The June 23, 2005 examination of Alta Dena discloses that Alta Dena continued to engage in
12 deferred deposit transactions through at least June 23, 2005. Accordingly, the representation of Alta
13 Dena submitted to the Commissioner with the applications that Alta Dena had ceased deferred
14 deposit transaction business at least as of March 10, 2005 or earlier was false.

15 V

16 CONCLUSION

17 Complainant finds, by reason of the foregoing, that:

- 18 (1) Alta Dena has committed at least 41 violations of the CDDTL;
- 19 (2) Alta Dena has made a false statement of material fact in its applications;
- 20 (3) Alta Dena is incapable of operating its business in compliance with the CDDTL as
21 demonstrated by its flagrant and continuous pattern of violations; and

- 22 (4) It is in the best interests of the public to deny Alta Dena’s applications for CDDTL
23 licenses.

24 California Financial Code section 23011 provides in pertinent part:

- 25 (a) Upon reasonable notice and the opportunity to be heard, the
26 commissioner may deny the application for any of the following reasons:
 - 27 (1) Any false statement of material fact has been made in the application.
 - 28 (3) The applicant or any officer, director, or general partner, or person owning or
controlling, directly or indirectly, 10 percent or more of the outstanding interests or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

equity securities of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of the State of California or a foreign jurisdiction.

THEREFORE, Complainant asserts that he is justified under California Financial Code section 23011(a)(1) and (3) in denying Alta Dena’s applications for CDDTL licenses.

WHEREFORE IT IS PRAYED that the applications for CDDTL licenses filed by Alta Dena on March 10, 2005 be denied.

Dated: July 19, 2005
Los Angeles, CA

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel