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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO: CAPITAL CURRENCY, INC.**  
**5567 ½ N. Azusa Avenue**  
**Azusa, CA 91702**

**CITATIONS**  
**AND**  
**DESIST AND REFRAIN ORDER**  
**(Pursuant to California Financial Code section 23058)**

The California Corporations Commissioner finds that:

1. Capital Currency, Inc. hereinafter (“Licensee”) is, and was at all relevant times herein a corporation authorized to conduct business in California with its principal place of business located at 5567 ½ N. Azusa Avenue, Azusa, CA 91702 (“Location 1”). Licensee has additional licensed business locations at 20006 E. Arrow Hwy., Covina, CA 91724 (“Location 2) and 10 E. Huntington Drive, Suite E, Arcadia, CA 91006 (“Location 3”).

2. On or about December 31, 2004, Licensee obtained licenses from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at Locations 1, 2 and 3.

3. An examination of Licensee conducted by the Commissioner on December 3, 2007 disclosed the following violations at Locations 1, 2 and 3.

Citation A- Location 2. Licensee failed to provide proof that the notice with required disclosures was provided to customers prior to entering into a deferred deposit transaction in violation of Financial Code section 23035 (c). Licensee was informed of this violation during the previous regulatory examination that was conducted on July 24, 2006 at Location 1.

Citation B - Location 3. Licensee failed to provide proof that the notice with required disclosures was provided to customers prior to entering into a deferred deposit transaction in violation of Financial Code section 23035 (c). Licensee was informed of this violation during the previous regulatory examination that was conducted on July 24, 2006 at Location 1.

1 Citation C – Location 2. Licensee failed to post notice required in conspicuous view of the  
2 public in violation of Financial Code sections 23019 and 23035 (d).

3 Citation D – Location 3. Licensee failed to post notice required in conspicuous view of the  
4 public in violation of Financial Code sections 23019 and 23035 (d).

5 Citation E – Locations 1, 2 and 3. Licensee failed to maintain a net worth of \$25,000 as of  
6 September 30, 2007 in violation of Financial Code section 23007.

7 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to  
8 the Commissioner an administrative penalty for Locations 1, 2 and 3 in the total amount \$12,500  
9 for the following Citations within 30 days from the date of these Citations.

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11 Citation A. \$2,500

12 Citation B. \$2,500

13 Citation C. \$2,500

14 Citation D. \$2,500

15 Citation E. \$2,500

16 Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist  
17 and refrain from engaging in the business of deferred deposit transactions in the State of  
18 California in violation of the above referenced sections.

19 These Citations and Desist and Refrain Order are necessary, in the public  
20 interest, for the protection of consumers and is consistent with the purposes, policies and  
21 provisions of the California Deferred Deposit Transaction Law. These Citations and Desist and  
22 Refrain Order shall remain in full force and effect until further order of the Commissioner.

23 These Citations are separate from any further action that may include other  
24 administrative, civil or criminal remedies that the Commissioner may take based upon the  
25 violations of law cited herein or otherwise.

26 California Financial Code section 23058 provides, in relevant part:

- 27 (a) If, upon inspection, examination or investigation, based upon a  
28 complaint or otherwise, the department has cause to believe that a person  
is engaged in the business of deferred deposit transactions without a license,  
. . . the department may issue a citation to that person in writing, describing

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with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500) . . . .

. . .  
(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code . . . .

California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

The request for a hearing may be made by delivering or mailing a written request to:

Steven Thompson  
Special Administrator  
California Deferred Deposit Transaction Law  
Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
Los Angeles, California 90013-2344  
(213) 576-7610

Dated: May 12, 2008  
Los Angeles, CA

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
STEVEN C. THOMPSON  
Special Administrator  
California Deferred Deposit Transaction Law