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9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11

12	In the Matter of:	)	CDDTL License No.: 100-4613
		)	
13	THE COMMISSIONER OF BUSINESS	)	DESIST AND REFRAIN ORDER PURSUANT
14	OVERSIGHT OF THE STATE OF	)	TO CALIFORNIA FINANCIAL CODE
15	CALIFORNIA,	)	SECTION 23050; and
		)	
16	Complainant,	)	CITATION PURSUANT TO CALIFORNIA
		)	FINANCIAL CODE SECTION 23058
17	v.	)	
		)	
18	CASH-PRO MANAGEMENT, INC. d.b.a.	)	
19	HOLLYWOOD CHECK CASHING,	)	
		)	
20	Respondent.	)	

21 The Complainant is informed and believes and based on such information and belief, alleges  
22 and charges the Respondent as follows:

23

**I.**

24

**FACTUAL BACKGROUND**

25 1. Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing (“Cash-Pro”) is a  
26 deferred deposit transaction originator licensed by Complainant, the Commissioner of Business  
27 Oversight (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law  
28 (“CDDTL”) (Fin. Code § 23000 et seq.). On or around July 14, 2014, Cash-Pro was issued license

1 number 100-4613 to conduct business as a deferred deposit transaction originator at 7040 West  
2 Sunset Blvd. Suite F, Los Angeles, California 90028.

3           2. At all relevant times herein, Guy Shayler is the President, Chief Executive Officer,  
4 and owner of Cash-Pro.

5           3. On or around September 11, 2014, the Commissioner commenced a regulatory  
6 examination of Cash-Pro pursuant to Financial Code section 23046 at Cash-Pro's two licensed  
7 locations: (1) Westwood Check Cashing Etc., located at 2180 Westwood Boulevard 1-H, Los  
8 Angeles, California 90025 (license no. 100-3394), and (2) Hollywood Check Cashing, located at  
9 7040 West Sunset Blvd. Suite F, Los Angeles, California 90028 (license no. 100-4613).

10           4. Pursuant to Financial Code section 23001, subdivision (a), "deferred deposit  
11 transaction" (commonly referred to as "payday loans" or "payday advances") means a transaction  
12 whereby a person defers depositing a customer's personal check until a specific date, pursuant to a  
13 written agreement for a fee or other charge.

14           5. From at least May 6, 2014 through at least September 25, 2014, Cash-Pro engaged in  
15 the business of deferred deposit transactions.

16           6. During the regulatory examination of Cash-Pro's Hollywood Check Cashing location  
17 it was disclosed that the computer system had crashed and all deferred deposit transaction records  
18 stored therein, such as evidence of checks, customers' payment histories, and transaction logs, were  
19 lost. Moreover, the lost data could not be retrieved because Cash-Pro did not have a back-up.

20           7. California Code of Regulations, title 10, section 2025, subdivision (c) requires each  
21 licensed business location for each deferred deposit transaction to maintain at least the following: the  
22 deferred deposit transaction agreement, evidence of the check, written disclosure(s) used to provide  
23 notice in compliance with subdivision (c) of Section 23035 of the Financial Code, record of any and  
24 all extensions of time or payment plans for repayment of an existing deferred deposit transaction,  
25 record of time periods for each transaction, record of transaction fees and charges, and record of  
26 transaction payments.

27           8. For at least 11 deferred deposit transactions made during the period of on or around  
28 May 6, 2014 through July 21, 2014, Cash-Pro failed to maintain the evidence of the checks,

1 customers' payment histories, and transaction logs, in violation of California Code of Regulations,  
2 title 10, section 2025, subdivision (c).

3 9. Furthermore, failure to maintain evidence of checks, customers' payment histories,  
4 and transaction logs prevented the Commissioner from determining whether Cash-Pro was in  
5 compliance with the provisions of the CDDTL and with the rules and regulations promulgated by the  
6 Commissioner, in violation of Financial Code section 23024.

7 **II.**

8 **DESIST AND REFRAIN ORDER**

9 The Commissioner is authorized to pursue administrative actions and remedies against  
10 persons who engage in violations of the CDDTL.

11 Financial Code section 23050 provides:

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

20 Financial Code section 23024 provides in pertinent part:

21 Each licensee shall keep and use books, accounts, and records that will  
22 enable the commissioner to determine if the licensee is complying with the  
23 provisions of this division and with the rules and regulations promulgated  
24 by the commissioner. Each licensee shall maintain any other records as  
25 required by the commissioner. The commissioner or a designee of the  
26 commissioner may examine those records at any reasonable time. Upon  
27 the request of the commissioner, a licensee shall file an authorization for  
28 disclosure of financial records of the licensed businesses pursuant to  
Section 7473 of the Government Code. All records shall be kept for two  
years following the last entry on a deferred deposit transaction and shall  
enable an examiner to review the recordkeeping and reconcile each  
consumer deferred deposit transaction with documentation maintained in  
the consumer's deferred deposit transaction file records.

California Code of Regulations, title 10, section 2025 states in pertinent part:

(c)(1) Except as provided in subsection (e), records to be maintained at

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each licensed business location for each deferred deposit transaction shall include at least the following: the deferred deposit transaction agreement, evidence of the check, written disclosure(s) used to provide notice in compliance with subdivision (c) of Section 23035 of the Financial Code, record of any and all extensions of time or payment plans for repayment of an existing deferred deposit transaction, record of time periods for each transaction, record of transaction fees and charges, and record of transaction payments . . .

(d) The records required under subsections (b) and (c) may be retained and provided to the Commissioner in electronic format provided that:

(1) The electronic records are maintained and provided in a format that allows the Commissioner complete access to all of the books, accounts and records. The electronic records must be provided to the Commissioner in a software format that is acceptable to the Commissioner. The deferred deposit originator shall ensure that the Commissioner and his or her authorized representatives have the ability to download and print any or all of the records that are stored and maintained electronically.

(2) A deferred deposit originator shall provide any and all of the records maintained in electronic format in printed form if the electronic records are not in a format that enables the Commissioner to determine if the licensee is complying with the California Deferred Deposit Transaction Law or rules, or upon the request of the Commissioner or his or her authorized representatives.

(3) The electronic records shall be maintained in a media that ensures reliable, credible, accurate and auditable records . . . .

The foregoing facts establish that Cash-Pro violated Financial Code section 23024 and California Code of Regulations, title 10, section 2025. Pursuant to Financial Code section 23050 Cash-Pro is hereby ordered to desist and refrain from violating Financial Code section 23024 and California Code of Regulations, title 10, section 2025. This Order is necessary for the protection of consumers and consistent with the purposes, policies, and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

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1 **III.**

2 **CITATION**

3 For the CDDTL violations of Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing,  
4 the Commissioner herein issues Citation A as part of this single document:

5 **CITATION A** – For at least 11 deferred deposit transactions made during the period of on or around  
6 May 6, 2014 through July 21, 2014, Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing  
7 failed to maintain records that it was required to maintain at each licensed business location for each  
8 deferred deposit transaction including, but not limited to evidence of the check, record of any and all  
9 extensions of time or payment plans for repayment of an existing deferred deposit transaction, record  
10 of time periods for each transaction, record of transaction fees and charges, and record of transaction  
11 payments, in violation of California Code of Regulations, title 10, section 2025, subdivision (c).

12  
13 Financial Code section 23058 gives the Commissioner the authority to issue citations for the  
14 foregoing CDDTL violations. Section 23058 states:

15 (a) If, upon inspection, examination or investigation, based upon a  
16 complaint or otherwise, the department has cause to believe that a person  
17 is engaged in the business of deferred deposit transactions without a  
18 license, or a licensee or person is violating any provision of this division  
19 or any rule or order thereunder, the department may issue a citation to that  
20 person in writing, describing with particularity the basis of the citation.  
21 Each citation may contain an order to desist and refrain and an assessment  
22 of an administrative penalty not to exceed two thousand five hundred  
23 dollars (\$2,500). All penalties collected under this section shall be  
24 deposited in the State Corporations Fund.

25 (b) The sanctions authorized under this section shall be separate from, and  
26 in addition to, all other administrative, civil, or criminal remedies.

27 (c) If within 30 days from the receipt of the citation of the person cited  
28 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 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, and in all states the commissioner has all  
the powers granted therein.

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(e) After the exhaustion of the review procedures provided for in this section, the department may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the department. The application, which shall include a certified copy of the final order of the department, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

Pursuant to Financial Code section 23058, Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing is hereby ordered to pay the Commissioner an administrative penalty of two thousand five hundred dollars (\$2,500.00) for Citation A within 30 days from the date of this citation.

Dated: June 5, 2015  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner