

1 PRESTON DUFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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6 Attorneys for Complainant
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation of THE) Case No.: 100-3890
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13)
Complainant,)
14)
15 vs.)
16 JUAN PABLO CERVANTES DBA CHECK)
BY CHECK)
17)
18 Respondent.)
_____)

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

22 I

23 Respondent Juan Pablo Cervantes dba Check By Check (“Check By Check”) is a deferred
24 deposit transaction originator licensed by the California Corporations Commissioner
25 (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law (California
26 Financial Code § 23000 et seq.) (“CDDTL”). Check By Check is licensed as an individual with his s
27 principal place of business at 530 Los Angeles Ave., Suite 208, Moorpark, CA 93021.
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II

Pursuant to California Financial Code section 23013, all CDDTL licensees are required to maintain a surety bond in the minimum amount of \$25,000.00. The surety bond of Check By Check expired on February 9, 2009. On or about January 19, 2009, the Commissioner notified Check By Check by certified mail, return receipt requested that a replacement surety bond had to be filed immediately, but no later than the expiration date to avoid suspension or revocation of its CDDTL license. The notification was delivered to Check By Check on or about January 21, 2009.

Check By Check has to obtain a replacement surety bond in violation of California Financial Code section 23013.

III

California Financial Code section 23013 provides in pertinent part:

A licensee shall maintain a surety bond in accordance with this subdivision in the amount of twenty-five thousand dollars (\$25,000). The bond shall be payable to the commissioner and issued by an insurer authorized to do business in this state. A copy of the bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be filed with the commissioner for review and approval within 10 days of execution. For licensees with multiple licensed locations, only one surety bond in the amount of twenty-five thousand dollars (\$25,000) is required. The bond shall be used for the recovery of expenses, fines, and fees levied by the commissioner in accordance with this division or for losses or damages incurred by consumers as the result of a licensee's noncompliance with the requirements of this division.

California 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.
- (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

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application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

IV

The Commissioner finds that, by reason of the foregoing, Check By Check has violated California Financial Code section 23013, and based thereon, grounds exist to revoke the deferred deposit transaction license of Check By Check.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of Check By Check be revoked.

Dated: February 18, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator