

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

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

**TO: THE CHECK CASHING PLACE, INC.**  
**945 Fifth Avenue**  
**San Diego, CA 92101**

**CITATIONS**  
**AND**  
**DESIST AND REFRAIN ORDER**  
**(Pursuant to California Financial Code sections 23050 and 23058)**

**ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**  
**(Pursuant to California Financial Code Section 23060)**

The California Corporations Commissioner finds that:

1. The Check Cashing Place, Inc. “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 945 Fifth Avenue, San Diego, CA 92101. (“Location 1”). Licensee has additional licensed business locations as follows:

Location 2. 3553 National Avenue, San Diego, CA 92113

Location 3. 354 N 2<sup>nd</sup> Street, El Cajon, CA 92021

Location 4. 1337 3<sup>rd</sup> Avenue, Chula Vista, CA

Location 5. 4121 University Avenue, San Diego, CA 92105

Location 6. 2452 Market Street, San Diego, CA 92102

Location 7. 9526 Mirmar Rd, San Diego, CA 92126

Location 8. 264 Vista Village Drive, Vista, CA 92083

Location 9. 3030 University Avenue, San Diego, CA 92104

Location 10. 7808 Broadway, Lemon Grove, CA 91945

Location 11. 5446 El Cajon Blvd., San Diego, CA 92115

Location 12. 6143 Balboa Avenue, San Diego, CA 92111

- 1 Location 13. 6913 Linda Vista Rd., San Diego, CA 92111
- 2 Location 14. 894 Palm Avenue, Ste C, Imperial Beach, CA 91932
- 3 Location 15. 4884 Newport Avenue, San Diego, CA 92107
- 4 Location 16. 9665 Mission Gorge Rd., A2, Santee, CA 92071
- 5 Location 17. 903 N. La Brea, Inglewood, CA 90302
- 6 Location 18. 9008 Venice Blvd., Culver City, CA 90232

7           2.       On or about December 31, 2004, Licensee obtained licenses from the California  
8 Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit  
9 transactions at Locations 1 through 18.

10           3.       An examination of Licensee conducted by the Commissioner on February 26, 2008 at  
11 locations 1 through 18 disclosed the following violations at locations 5, 9 and 12.

12           Citation A, Location 5. Licensee made three loans totaling \$573.15 with Annual Percentage  
13 Rates (“APRs”) that exceeded 36% to one customer who was an active member of the military.  
14 This is in violation of Financial Code section 23038 (a). Financial Code section 23038(a) provides  
15 that any person who violates any provision of Section 670 of the John Warner National Defense  
16 Authorization Act for Fiscal Year 2007 or any provision of Section 232 of Title 31 of the Code of  
17 Federal Regulations, as published on August 31, 2007, in Volume 72 of the Federal Register,  
18 violates the California Deferred Deposit Transaction Law.

19           Citation B, Location 9. The Notice required to be posted in conspicuous view of the public in  
20 letters at least ½ inch in height failed to contain disclosure that licensee cannot use the criminal  
21 process against a consumer to collect any deferred deposit transaction in violation of Financial Code  
22 section 23035 (d) (1).

23           Citation C, Location 12. Licensee made one loan in the amount of \$294.10 with an Annual  
24 Percentage Rate (“APR”) that exceeded 36% to one customer who was an active member of the  
25 military. This is in violation of Financial Code section 23038 (a). Financial Code section 23038(a)  
26 provides that any person who violates any provision of Section 670 of the John Warner National  
27 Defense Authorization Act for Fiscal Year 2007 or any provision of Section 232 of Title 31 of the  
28 Code of Federal Regulations, as published on August 31, 2007, in Volume 72 of the Federal

1 Register, violates the California Deferred Deposit Transaction Law

2 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the  
3 Commissioner an administrative penalty in the total amount of \$6,500 for the following Citations  
4 within 30 days from the date of these Citations.

5 Citation A, Location 5. \$2,500

6 Citation B, Location 9. \$1,500

7 Citation C, Location 12. \$2,500

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

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

15 These Citations and Desist and Refrain Order are separate from any further action that may  
16 include other administrative, civil or criminal remedies that the Commissioner may take based upon  
17 the violations of law cited herein or otherwise.

18  
19 California Financial Code section 23058 provides, in relevant part:

20 (a) If, upon inspection, examination or investigation, based upon a  
21 complaint or otherwise, the department has cause to believe that a person  
22 is engaged in the business of deferred deposit transactions without a license,  
23 . . . the department may issue a citation to that person in writing, describing  
24 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) . . . .

25 . . .

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

28 (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

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

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.

**ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

Licensee willfully violated California Financial Code section 23038 (a) by making four loans totaling \$867.25 with APRs exceeding 36% to two active military members in violation of Financial Code section 23038 (a). California Financial Code section 23060 states:

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

(b) If any provision of this division is willfully violated in the making or collection of a deferred deposit transaction, the deferred deposit 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.

Pursuant to Financial Code section 23060, subdivision (b), all four of the above described deferred deposit transactions totaling at least \$867.25 shall be declared void, and no person shall have any right to collect or receive any amount provided in the deferred deposit transactions or any charges or fees in connection with these consumer transactions and is hereby ordered to immediately return any amount and all charges and fees received for these transactions.

/

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

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: June 12, 2008  
Los Angeles, CA

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Steven C. Thompson  
Special Administrator  
California Deferred Deposit Transaction Law