

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
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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 Statement of Issues of THE) OAH Case No.: L-2005080391 &
12 CALIFORNIA CORPORATIONS) L-2005080394
13 COMMISSIONER,)
14 Complainant,) File Nos.: 100-2527; 100-2528; 100-2529; &
15 vs.) 100-2530
16) SETTLEMENT AGREEMENT
17)
18 SAVERIO LANNI doing business as CHECK)
EXCHANGE,)
19 Respondent.)

20 In the Matter of the Desist and Refrain Order of)
21 THE CALIFORNIA CORPORATIONS)
COMMISSIONER,)
22 Complainant,)
23 vs.)
24)
25 SAVERIO LANNI, individually and doing)
business as CHECK EXCHANGE,)
26 Respondent.)

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1 This Settlement Agreement is entered into between the California Corporations
2 Commissioner (“Commissioner”) and Saverio Lanni, individually and doing business as Check
3 Exchange (“Lanni”), and is made with respect to the following facts:

4 **RECITALS**

5 A. Lanni is, and was at all relevant times herein, an individual doing business as Check
6 Exchange. Lanni has a principal address of 1812 Westerly Terrace, Los Angeles, California 90026.

7 B. On March 14, 2005, Lanni doing business as Check Exchange filed four (4)
8 applications for deferred deposit transaction licenses (File Nos. 100-2527; 100-2528; 100-2529; and
9 100-2530 hereinafter "applications") with the Commissioner pursuant to the CDDTL (Financial
10 Code sections 23000 *et. seq.*), in particular, California Financial Code section 23005. The
11 applications were for locations situated at 14050 Cherry Avenue, Suite M, Fontana, California
12 92337; 43384 E. Florida Avenue, Suite F, Hemet, California 92544; 1015 E. Florida Avenue,
13 Hemet, California 92544; and 2148 ½ W. Lomita Boulevard, Lomita, California 90717.

14 C. On July 6, 2005, Lanni was personally served with a Desist and Refrain Order issued
15 by the Commissioner on June 29, 2005 (“Desist and Refrain Order”). Lanni was also personally
16 served on July 6, 2005 with a Notice of Intention to Issue Order Denying California Deferred
17 Deposit Transaction License Applications, Statement of Issues and accompanying documents issued
18 by the Commissioner on June 29, 2005 (“license denial proceedings”). Lanni has filed Notices of
19 Defense with the Commissioner.

20 D. On August 11, 2005, the Commissioner issued a First Amended Statement of Issues.
21 The First Amended Statement of Issues was served on Lanni on August 11, 2005 through his then
22 attorney.

23 E. On September 16, 2005, the Desist and Refrain Order and license denial proceedings
24 (hereinafter collectively “administrative proceedings”) were consolidated. The hearing was
25 scheduled for December 14 and 15, 2005.

26 F. It is the intention and desire of the parties to resolve the administrative proceedings
27 without the necessity of a hearing and/or other litigation.
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1 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
2 forth herein, the parties agree as follows:

3 **TERMS AND CONDITIONS**

4 1. Lanni hereby admits the allegations contained in the Desist and Refrain Order and the
5 First Amended Statement of Issues. Lanni acknowledges and understands that the admissions made
6 herein can be used against Lanni in the civil action pending between the parties in Los Angeles
7 Superior Court entitled *The People of the State of California v. Saverio Lanni, individually and*
8 *doing business as Check Exchange*, LASC case number BC338222. However, it is the intent and
9 understanding between the parties that this Settlement Agreement and particularly the admissions of
10 Lanni herein, shall not be binding or admissible against Lanni in any action(s) brought against Lanni
11 by third parties.

12 2. Lanni hereby agrees that the Desist and Refrain Order shall become final immediately
13 upon execution of this Settlement Agreement. Lanni further agrees to the immediate issuance by the
14 Commissioner of an Order Denying California Deferred Deposit Transaction License Applications
15 to become effective upon the execution of this Settlement Agreement. A true and correct copy of the
16 Order Denying California Deferred Deposit Transaction License Applications is attached and
17 incorporated as Exhibit A.

18 3. Lanni acknowledges his right to an administrative hearing under California Financial
19 Code sections 23011 and 23050 in connection with the administrative proceedings and hereby
20 waives his right to a hearing, and to any reconsideration, appeal, or other rights which may be
21 afforded pursuant to the California Deferred Deposit Transaction Law, the California Administrative
22 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection
23 with these administrative proceedings.

24 4. Lanni further acknowledges that he was advised to consult with counsel, in particular,
25 his attorney in the pending civil action, prior to entering into this Settlement Agreement.

26 5. The parties hereby acknowledge and agree that this Settlement Agreement is intended
27 to constitute a full, final and complete resolution of the administrative proceedings only, and except
28 with respect to the admissions described in paragraph 1 above, shall have no impact whatsoever on

1 the pending civil action. The parties further acknowledge and agree that nothing contained in this
2 Settlement Agreement shall operate to limit the Commissioner's ability to assist any other agency,
3 (county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such
4 agency against Lanni based upon any of the activities alleged in the administrative proceedings or
5 otherwise.

6 6. Each of the parties represents, warrants, and agrees that in executing this Settlement
7 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel
8 and/or representative. Each of the parties further represents, warrants, and agrees that in executing
9 this Settlement Agreement it has placed no reliance on any statement, representation, or promise of
10 any other party, or any other person or entity not expressly set forth herein, or upon the failure of any
11 party or any other person or entity to make any statement, representation or disclosure of anything
12 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
13 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the
14 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
15 Settlement Agreement.

16 7. This Settlement Agreement is the final written expression and the complete and
17 exclusive statement of all the agreements, conditions, promises, representations, and covenants
18 between the parties with respect to the subject matter hereof, and supercedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings, and discussions
20 between and among the parties, their respective representatives, and any other person or entity, with
21 respect to the subject matter covered hereby.

22 8. In that the parties have had the opportunity to draft, review and edit the language of
23 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any
24 part of this Settlement Agreement will be applied in any action relating to, connected, to, or
25 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil
26 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
27 language of a contract should be interpreted most strongly against the party who caused the
28 uncertainty to exist.

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9. This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document.

10. Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: _____

WILLIAM P. WOOD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Counsel

Dated: _____

By _____
SAVERIO LANNI, individually and doing
business as CHECK EXCHANGE