

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 UCHE L. ENENWALI (State Bar No. 235832)
4 Senior Counsel
Department of Business Oversight
5 320 West 4th Street, Suite 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7586
7 Facsimile: (213) 576-7181

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9 Attorneys for Complainant

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

12 In the Matter of:)	CDDTL License Nos. 100-3470
13 THE COMMISSIONER OF BUSINESS)	10DBO-40983
14 OVERSIGHT,)	10DBO-40984
15 Complainant,)	DESIST AND REFRAIN ORDERS
16 v.)	PURSUANT TO FINANCIAL CODE
17 GEMZO ENTERPRISES, INC. DBA)	SECTIONS 23050 AND 22712; and
18 QUICKEN CASH,)	CITATIONS PURSUANT TO FINANCIAL
19 Respondent.)	CODE SECTIONS 23058 AND 22707.5
20)	

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

23 **I.**

24 **Introduction**

25 1. The Commissioner of Business Oversight (Commissioner) has jurisdiction over
26 deferred deposit transactions as set forth in the California Deferred Deposit Transaction Law
27 (CDDTL) (Fin. Code, § 23000 et seq.). The Commissioner is authorized to pursue administrative
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1 actions and remedies against persons who engage in violations of the CDDTL.

2 2. “Deferred deposit transaction,” as defined by section 23001, subdivision (a), means a
3 transaction whereby a person defers depositing a customer’s personal check until a specific date,
4 pursuant to a written agreement for a fee or other charge.

5 3. Gemzo Enterprises, Inc. dba Quicken Cash (Gemzo) is, and was at all relevant times
6 herein, a corporation incorporated in California on January 12, 2016. Jawdat A. Ziq is the chief
7 executive officer of Gemzo.

8 4. Gemzo is licensed by the Commissioner to conduct deferred deposit transactions at
9 the following three locations: 914 West Orangethorpe Avenue, Fullerton, California 92832, under
10 the license no. 10DBO-40983; 7910 Katella Avenue, Stanton, California 90680, under the license
11 no. 10DBO-40984; and 1138 E. 17th Street, Santa Ana, California 92701, under the license no. 100-
12 3470.

13 **II.**

14 **Gemzo Charged Customers Excess Fees**

15 5. Financial Code section 23036 (e) provides, in pertinent part:

16 A fee not to exceed fifteen dollars (\$15) may be charged for the
17 return of a dishonored check by a depository institution in a
18 deferred deposit transaction. A single fee charged pursuant to this
19 subdivision is the exclusive charge for a dishonored check. No fee
20 may be added for late Payment.

21 6. On December 12, 2016, the Commissioner commenced a regulatory examination at
22 Gemzo’s three licensed locations described herein. The regulatory examination disclosed that
23 Gemzo charged customers a fee exceeding \$15.00 on returned checks in at least 61 deferred deposit
24 transactions in violation of Financial Code section 23036 (e). Gemzos charged customers excess
25 fees ranging from \$25.00 to \$190.00 for dishonored checks.

26 7. The regulatory examination further revealed that in at least 24 deferred deposit
27 transactions, Gemzos charged customers a fee exceeding \$15.00 multiple times in violation of
28 Financial Code section 23036 (e). The number of times Gemzos repeatedly charged customers a fee
exceeding \$15.00 ranged from two to eight times in each deferred deposit transaction.

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III.

Desist and Refrain Orders

8. Financial Code section 23036 (e) provides, in pertinent part:

A fee not to exceed fifteen dollars (\$15) may be charged for the return of a dishonored check by a depository institution in a deferred deposit transaction. A single fee charged pursuant to this subdivision is the exclusive charge for a dishonored check. No fee may be added for late Payment.

9. Financial Code section 23036 (f) provides, in pertinent part:

No amount in excess of the amounts authorized by this section shall be directly or indirectly charged by a licensee pursuant to a deferred deposit transaction.

10. 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.

11. Based on the foregoing, the Commissioner is of the opinion that Gemzo, in violation of Financial Code sections 23036 (e) and 23036 (f), charged customers a fee exceeding \$15.00 for dishonored checks, and unlawfully charged customers excess fees multiple times for returned checks. Further, the Commissioner is of the opinion that Respondent collected an amount exceeding the amount authorized from a customer in at least one deferred deposit transaction in violation of Financial Code section 23036(f). Pursuant to Financial Code section 23050, Gemzo Enterprises, Inc. dba Quicken Cash and any and all officers, directors, employees, independent contractors, or agents operating on behalf of Gemzo Enterprises, Inc. dba Quicken Cash and their successors or assigns are hereby ordered to desist and refrain from engaging in the business of deferred deposit

1 transactions in violation of the Financial Code section, including Financial Code sections 23036(e)
2 and 23036(f).

3 12. This Order is necessary, in the public interest, for the protection of consumers and
4 consistent with the purposes, policies, and provisions of the California Deferred Deposit Transaction
5 Law and the California Finance Lenders Law.

6 **IV.**

7 **Citations**

8 13. In light of Gemzo’s violations of the CDDTL, the Commissioner herein issues the
9 following Citations A, B, and C, as part of this single document:

10 **CITATION A** – Gemzo charged customers a fee exceeding \$15.00 on returned
11 checks in at least 61 deferred deposit transactions in violation of Financial Code section 23036 (e).

12 **CITATION B** – Gemzo charged customers a fee exceeding \$15.00 multiple times in
13 at least 24 deferred deposit transactions, in violation of Financial Code section 23036 (e).

14 **CITATION C** – Gemzo collected an amount that exceeded the amount authorized by
15 a customer in at least one deferred deposit transaction in violation of Financial Code section
16 23036(f).

17 14. Financial Code section 23058 states:

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

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

(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

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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.

(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.

15. Financial Code section 22707.5 states:

(a) If, upon inspection, examination, or investigation, the commissioner has cause to believe that a licensee or other person is violating any provision of this division or any rule or order thereunder, the commissioner or his or her designee, may issue a citation to the licensee or person in writing, describing with particularity the basis of the citation. Each citation may contain an order to correct the violation or violations identified and provide a reasonable time period or periods by which the violation or violations must be corrected. In addition, each citation may assess an administrative fine not to exceed two thousand five hundred dollars (\$2,500) that shall be deposited in the State Corporations Fund. In assessing a fine, the commissioner shall give due consideration to the appropriateness of the amount of the fine with respect to factors including the gravity of the violation, the good faith of the person or licensees cited, and the history of previous violations. A citation issued or a fine assessed pursuant to this section, while constituting punishment for a violation of law, shall be in lieu of other administrative discipline by the commissioner for the offense or offenses cited, and the citation and fine payment thereof by a licensee shall not be reported as disciplinary action taken by the commissioner.

(b) Notwithstanding subdivision (a), nothing in this section shall prevent the commissioner from issuing an order to desist and refrain from engaging in a specific business or activity or activities, or an order to suspend all business operations to a person or licensee who is engaged in or who has engaged in continued or repeated violations of this division. In any of these circumstances,

