

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: GOLD EXCHANGE III, INC.
2658 E. Florence Avenue
Huntington Park, CA 90255

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

The California Corporations Commissioner finds that:

1. Gold Exchange III, Inc. (“Licensee”) is, and was at all relevant times herein a Corporation authorized to conduct business in this state with its principal place of business located at 2658 E. Florence Avenue, Huntington Park, CA 90255.

2. On or about December 31, 2004, Licensee obtained licenses from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 2658 E. Florence Avenue, Huntington Park, CA 90255.

3. An examination of Licensee conducted by the Commissioner on June 6, 2008 disclosed the following violations at 2658 E. Florence Avenue, Huntington Park, CA 90255.

Citation A. Licensee failed to provide notice required to be provided to customers prior to entering into deferred deposit transactions in same language principally used in oral discussions or negotiations leading to execution of the deferred deposit agreements in violation of California Financial Code section 23035 (g). This violation was disclosed to the licensee during the previous regulatory examination conducted on July 5, 2006.

Citation B. Licensee failed to provide the deferred deposit Agreement to the customers in the same language principally used in oral discussions or negotiations leading to the execution of the deferred deposit transactions in violation of California Financial Code section 23035 (f). This violation was disclosed to the licensee during the previous regulatory examination conducted on July 5, 2008.

1 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to
2 the Commissioner an administrative penalty in the total amount \$5,000 for the following
3 Citations within 30 days from the date of these Citations.

4
5 Citation A. \$2,500

6 Citation B. \$2,500

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

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

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

17 California Financial Code section 23058 provides, in relevant part:

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

23 . . .
(c) If within 30 days from the receipt of the citation of the person cited fails
24 to notify the department that the person intends to request a hearing as
described in subdivision (d), the citation shall be deemed final.

25 (d) Any hearing held under this section shall be conducted in accordance with
26 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2
27 of the Government Code
28

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

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.

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 4th Street, Ste. 750
Los Angeles, California 90013-2344
(213) 576-7610

Dated: September 16, 2008
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
STEVEN C. THOMPSON
Special Administrator
California Deferred Deposit Transaction Law

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Corporations Lead Counsel
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344

5 Attorneys for Complainant

6 BEFORE THE DEPARTMENT OF CORPORATIONS
7 OF THE STATE OF CALIFORNIA
8

9	In the Matter of the Accusation of THE)	Case No.: 100-0617
10	CALIFORNIA CORPORATIONS)	
11	COMMISSIONER,)	ORDER SETTING ASIDE CITATIONS AND
)	DESIST AND REFRAIN ORDER
12	Complainant,)	
)	
13	vs.)	
)	
14	GOLD EXCHANGE III, INC.)	
15)	
)	
16	Respondent.)	
17)	

18 The California Corporations Commissioner finds that:

19 I

20 Respondent Gold Exchange III, Inc. (“Gold Exchange ”) submitted information to the
21 Department demonstrating that Gold Exchange was providing the Notice required to be provided to
22 the customers prior to entering in deferred deposit agreements and the Agreement in the same
23 language (english) principally used in oral discussions or negotiations leading to the execution of the
24 deferred deposit agreements.

25 THEREFORE, GOOD CAUSE APPEARING, the Citations and Desist and Refrain Order
26 issued pursuant to California Financial Code Sections 23050 and 23058 issued by the Commissioner
27 to Gold Exchange on September 16, 2008 is hereby set aside effective this date.
28

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

Dated: December 1, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator