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

**TO: THE JESSCHEX CORPORATION**  
**DBA JESS CHEX FINANCIAL**  
**2524 S. Central Ave.**  
**Los Angeles, CA 90011**

**AMENDED**  
**CITATIONS**  
**AND**  
**DESIST AND REFRAIN ORDER**  
**(Pursuant to California Financial Code section 23058)**

The California Corporations Commissioner finds that:

1. The Jesschex Corporation doing business as Jess Chex Financial, hereinafter (“Licensee”) is, and was at all relevant times herein, a corporation, with its principal place of business located at 2524 S. Central Ave., Los Angeles, CA 90011 (“Location 1”). Licensee has additional business locations as follows:

2514 E. 1<sup>st</sup> Street, Los Angeles, CA 90033 (“Location 2”).

7402 E. Florence Avenue, Downey, CA 90241 (“Location 3”).

2. On or about December 31, 2004, Licensee obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at Locations 1 and 2, subsequently obtaining a license for Location 3 on July 14, 2006.

3. An examination of Licensee conducted by the Commissioner on February 25, 2008 and a follow-up examination conducted on July 25, 2008 disclosed the following violations at Locations 1, 2 and 3.

Citation A - Location 1. Notice with the required disclosures was posted in conspicuous view of the public, but in letters less than ½ inch in height in violation of Financial Code section 23035 (d). Licensee was informed of the requirement to post the notice with the required disclosures in letters in at least ½ inch in height during the previous regulatory examination conducted on March 23, 2006.

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2 Citation B – Location 2. Notice with the required disclosures was posted in conspicuous  
3 view of the public, but in letters less than ½ inch in height in violation of Financial Code section  
4 23035 (d). Licensee was informed of the requirement of post the notice with the required  
5 disclosures in letters in at least ½ inch in height during the previous regulatory examination  
6 conducted on March 23, 2006.

7 Citation C – Location 3. Notice with the required disclosures was posted in conspicuous  
8 view of the public, but in letters less than ½ inch in height in violation of Financial Code section  
9 23035 (d). Licensee was informed of the requirement of post the notice with the required  
10 disclosures in letters in at least ½ inch in height during the previous regulatory examination  
11 conducted on March 23, 2006

12 Citation D - Location 1. All deferred deposit transaction Agreements failed to contain the  
13 following disclosures:

- 14 a. The customer cannot be prosecuted or threatened with prosecution to  
15 collect a deferred deposit transaction in violation of Financial Code section  
16 23035 (e) (9).
- 17 b. The licensee cannot accept collateral in connection with the deferred  
18 deposit transaction in violation of Financial Code section 23035 (e) (10).
- 19 c. The licensee cannot make a deferred deposit transaction contingent on the  
20 purchase of another product or service.

21 Licensee was informed of this violation during the previous regulatory examination conducted on  
22 March 23, 2006.

23 Citation E - Location 2. All deferred deposit transaction Agreements failed to contain the  
24 following disclosures:

- 25 a. The customer cannot be prosecuted or threatened with prosecution to collect a  
26 deferred deposit transaction in violation of Financial Code section 23035 (e)  
27 (9).
- 28 b. The licensee cannot accept collateral in connection with the deferred deposit

1 transaction in violation of Financial Code section 23035 (e) (10).

2 c. The licensee cannot make a deferred deposit transaction contingent on the  
3 purchase of another product or service.

4 Licensee was informed of this violation during the previous regulatory examination conducted on  
5 March 23, 2006.

6 Citation F - Location 3. All deferred deposit transaction Agreements failed to contain the  
7 following disclosures:

8 a. The customer cannot be prosecuted or threatened with prosecution to collect a  
9 deferred deposit transaction in violation of Financial Code section 23035 (e)  
10 (9).

11 b. The licensee cannot accept collateral in connection with the deferred deposit  
12 transaction in violation of Financial Code section 23035 (e) (10).

13 c. The licensee cannot make a deferred deposit transaction contingent on the  
14 purchase of another product or service.

15 Licensee was informed of this violation during the previous regulatory examination conducted on  
16 March 23, 2006.

17 Citation G – Location 1. Failed to disclose correct Annual Percentage Rates in Agreements  
18 for all deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
19 Licensee was informed of this violation during the previous regulatory examination conducted on  
20 March 23, 2006.

21 Citation H – Location 2. Failed to disclose correct Annual Percentage Rates in Agreements  
22 for all deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
23 Licensee was informed of this violation during the previous regulatory examination conducted on  
24 March 23, 2006.

25 Citation I – Location 3. Failed to disclose correct Annual Percentage Rates in Agreements for all  
26 deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
27 Licensee was informed of this violation during the previous regulatory examination conducted on  
28 March 23, 2006.

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Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the Commissioner an administrative penalty for Location 1, Location 2 and Location 3 in the total amount \$7,500 for the following Citations within 30 days from the date of these Citations.

- Citation A. \$500
- Citation B. \$500
- Citation C. \$500
- Citation D. \$1,000
- Citation E. \$1,000
- Citation F. \$1,000
- Citation G. \$1,000
- Citation H. \$1,000
- Citation I. \$1,000

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

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

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

California Financial Code section 23058 provides, in relevant part:

- (a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred

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dollars (\$2,500) . . . .  
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(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 request a hearing as described in subdivision (d), the citation shall be deemed final.

(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 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.

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: September 11, 2008  
Los Angeles, CA

PRESTON DUFAUCHARD  
California Corporations Commissioner

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

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1 Citation B – Location 2. Notice with the required disclosures was posted in conspicuous  
2 view of the public, but in letters less than ½ inch in height in violation of Financial Code section  
3 23035 (d). Licensee was informed of the requirement of post the notice with the required  
4 disclosures in letters in at least ½ inch in height during the previous regulatory examination  
5 conducted on March 23, 2006.

6 Citation C – Location 3. Notice with the required disclosures was posted in conspicuous  
7 view of the public, but in letters less than ½ inch in height in violation of Financial Code section  
8 23035 (d). Licensee was informed of the requirement of post the notice with the required  
9 disclosures in letters in at least ½ inch in height during the previous regulatory examination  
10 conducted on March 23, 2006

11 Citation D - Location 1. All deferred deposit transaction Agreements failed to contain the  
12 following disclosures:

- 13 a. The customer cannot be prosecuted or threatened with prosecution to  
14 collect a deferred deposit transaction in violation of Financial Code section  
15 23035 (e) (9).
- 16 b. The licensee cannot accept collateral in connection with the deferred  
17 deposit transaction in violation of Financial Code section 23035 (e) (10).
- 18 c. The licensee cannot make a deferred deposit transaction contingent on the  
19 purchase of another product or service.

20 Licensee was informed of this violation during the previous regulatory examination conducted on  
21 March 23, 2006.

22 Citation E - Location 2. All deferred deposit transaction Agreements failed to contain the  
23 following disclosures:

- 24 a. The customer cannot be prosecuted or threatened with prosecution to collect a  
25 deferred deposit transaction in violation of Financial Code section 23035 (e)  
26 (9).
- 27 b. The licensee cannot accept collateral in connection with the deferred deposit  
28 transaction in violation of Financial Code section 23035 (e) (10).

1           c.           The licensee cannot make a deferred deposit transaction contingent on the  
2                           purchase of another product or service.

3 Licensee was informed of this violation during the previous regulatory examination conducted on  
4 March 23, 2006.

5           Citation F - Location 3. All deferred deposit transaction Agreements failed to contain the  
6 following disclosures:

7           a.           The customer cannot be prosecuted or threatened with prosecution to collect a  
8                           deferred deposit transaction in violation of Financial Code section 23035 (e)  
9                           (9).

10          b.           The licensee cannot accept collateral in connection with the deferred deposit  
11                           transaction in violation of Financial Code section 23035 (e) (10).

12          c.           The licensee cannot make a deferred deposit transaction contingent on the  
13                           purchase of another product or service.

14 Licensee was informed of this violation during the previous regulatory examination conducted on  
15 March 23, 2006.

16           Citation G – Location 1. Failed to disclose correct Annual Percentage Rates in Agreements  
17 for all deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
18 Licensee was informed of this violation during the previous regulatory examination conducted on  
19 March 23, 2006.

20           Citation H – Location 2. Failed to disclose correct Annual Percentage Rates in Agreements  
21 for all deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
22 Licensee was informed of this violation during the previous regulatory examination conducted on  
23 March 23, 2006.

24           Citation I – Location 3. Failed to disclose correct Annual Percentage Rates in Agreements for all  
25 deferred deposit transactions except for those transactions with terms of 14 days and 30 days.  
26 Licensee was informed of this violation during the previous regulatory examination conducted on  
27 March 23, 2006.

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1 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to  
2 the Commissioner an administrative penalty for Location 1, Location 2 and Location 3 in the  
3 total amount \$13,500 for the following Citations within 30 days from the date of these Citations.

4 Citation A. \$500

5 Citation B. \$500

6 Citation C. \$500

7 Citation D. \$2,500

8 Citation E. \$2,500

9 Citation F. \$2,500

10 Citation G. \$1,500

11 Citation H. \$1,500

12 Citation I. \$1,500

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

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

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

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

24 (a) If, upon inspection, examination or investigation, based upon a  
25 complaint or otherwise, the department has cause to believe that a person  
26 is engaged in the business of deferred deposit transactions without a license,  
27 . . . the department may issue a citation to that person in writing, describing  
28 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) . . . .

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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: August 6, 2008  
Los Angeles, CA

PRESTON DUFAUCHARD  
California Corporations Commissioner

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