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10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of the Statement of Issues of THE) File No.: 100-2519
CALIFORNIA CORPORATIONS)
14 COMMISSIONER,) STATEMENT OF ISSUES
15)
Complainant,)
16)
vs.)
17)
MIKE LOPEZ, CHEX CHECK CASHING,)
18 MIKE LOPEZ doing business as CHEX)
19 CHECK CASHING)
20 Respondent.)

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

24 I
25 INTRODUCTION

26 The proposed order seeks to deny the issuance of a deferred deposit transaction license to
27 Respondent Mike Lopez, Chex Check Cashing, and Mike Lopez Doing Business as Chex Check
28 Cashing pursuant to California Financial Code section 23011, subdivision (a)(3), by reason of

1 their numerous and continuing violations of the California Deferred Deposit Transaction Law
2 (“CDDTL”). (California Financial Code §§ 23000 *et seq.*)

3 II

4 THE APPLICATION

5 Mike Lopez is and was at all relevant times herein, an individual and owner of a business
6 known as Chex Check Cashing. Mike Lopez, Chex Check Cashing, and Mike Lopez dba Chex
7 Check Cashing hereinafter are referred to as “Lopez.” On March 11, 2005, Lopez filed an
8 application for a deferred deposit transaction license (File No. 100-2519) with the California
9 Corporations Commissioner (“Complainant” or “Commissioner”) pursuant to California
10 Financial Code section 23005. The deferred deposit transaction license application
11 (“application”) was for Lopez’s business located at 5304-A Monterey Road, San Jose, California
12 95111.

13 III

14 DEFERRED DEPOSIT TRANSACTION LAW VIOLATIONS

15 On or about February 8, 2005, the Commissioner contacted Lopez to determine if Lopez
16 was engaging in unlicensed deferred deposit transaction business.¹ The Commissioner’s review
17 revealed that Lopez had originated approximately 20 deferred deposit transactions per month
18 from the period January 1, through at least July 11, 2005, in violation of California Financial
19 Code section 23005.

20 Lopez was specifically aware that a CDDTL license was required in order to engage in
21 the business of deferred deposit transactions as Lopez had received a written notice to this effect
22 from the Commissioner on or about February 8, 2005. The February 8, 2005 letter explicitly
23 informed Lopez that he could not engage in the business of deferred deposit transactions unless
24 and until he obtained a CDDTL license from the Commissioner. Lopez is not now nor has he
25 been exempt from the licensing requirements of California Financial Code section 23005.

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27 ¹ A deferred deposit transaction is a written transaction whereby one person gives funds to
28 another person upon receipt of a personal check and it is agreed that the personal check shall not
be deposited until a later date.

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California Financial Code section 23011 provides in pertinent part:

- (a) Upon reasonable notice and the opportunity to be heard, the commissioner may deny the application for any of the following reasons:
 - (3) The applicant or any officer, director, or general partner, or person owning or controlling, directly or indirectly, 10 percent or more of the outstanding interests or equity securities of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of the State of California or a foreign jurisdiction.

THEREFORE, Complainant asserts that he is justified under California Financial Code section 23011, subdivision (a)(3), in denying Lopez’s applications for a CDDTL license.

WHEREFORE IT IS PRAYED that the application for a CDDTL license from Mike Lopez, Chex Check Cashing, and Mike Lopez Doing Business as Chex Check Cashing, dated March 11, 2005, be denied.

Dated: July 20, 2005
San Francisco, CA

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
Joan E. Kerst
Senior Corporations Counsel