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California Corporations Commissioner  
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10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA  
12

13 In the Matter of the Accusation of ) File No.: 100-0006  
14 THE CALIFORNIA CORPORATIONS )  
COMMISSIONER, ) **ORDER REVOKING CALIFORNIA**  
15 ) **DEFERRED DEPOSIT TRANSACTION**  
16 Complainant, ) **LICENSE PURSUANT TO FINANCIAL**  
vs. ) **CODE SECTION 23052**  
17 )  
18 BU YOUNG LEE CO., INC., dba OMEGA )  
FINANCIAL, )  
19 Respondent. )  
20 )

21 The California Corporations Commissioner (“Commissioner”) finds that:

22 The Commissioner of the Department of Corporations (“Department”) issued to  
23 Respondent Bu Young Lee Co., Inc., doing business as Omega Financial, (“Respondent”) a  
24 deferred deposit transaction originator license pursuant to the California Deferred Deposit  
25 Transaction Law (“CDDTL”), Cal. Fin. Code §§ 23000 *et seq.* Compliance with the CDDTL is  
26 essential to retain a deferred deposit transaction originator license. At all times Respondent was  
27 required to comply with all law and regulations enacted under this law, but failed to do so.  
28

1 Respondent conducted business at 108 W. Katella Avenue #F, Orange, California 92867.  
2 Respondent’s owner is Bu Young Lee.

3 Since at least December 2004, Respondent has engaged in the business of deferred  
4 deposit transactions by offering, originating and making deferred deposit transactions, which is a  
5 written transaction whereby one person gives funds to another person upon receipt of a personal  
6 check and it is agreed that the personal check shall not be deposited until a later date. These  
7 transactions are sometimes referred to as “payday advances” or “payday loans.”

8 In January 2005, Respondent filed with the Department an application for a license to make  
9 deferred deposit transactions and included a Declaration designated as “Exhibit K” to the  
10 application and signed under penalty of perjury by owner Bu Young Lee, stating:

11 **I (we) have obtained and read copies of the California Deferred Deposit**  
12 **Transaction Law (Division 10 of the California Financial Code) and the Rules**  
13 **(Chapter 3, Title, 10, California Code of Regulations) and am familiar with their**  
14 **content: and,**

15 **I (we) agree to comply with all the provision[s] of the California Deferred**  
16 **Deposit Transaction Law, including any rules or orders of the Commissioner of**  
17 **Corporations.**

18 Respondent’s Declaration under Exhibit K also states:

19 [B]y signing this declaration..., the applicant hereby agrees (or attests) or declares  
20 their understanding of the following items listed below:

21 ....

- 22 6. That the applicant will file with the Commissioner of Corporations any  
23 report required by the Commissioner.

24 As a part of the application process Respondent was required to and did complete another  
25 Declaration designated as “Exhibit L” to the application, which owner Bu Young Lee signed under  
26 penalty of perjury, stating:

27 The applicant will comply with all federal and state laws and regulations (including  
28 Division 10, commencing with Section 23000, of the Financial Code), if it offers,  
arranges, acts as an agent for, or assists a deferred deposit originator in the making of  
a deferred deposit transaction (Financial Code Section 23037(i).)

1 On May 4, 2005, a letter accompanied the Commissioner’s issuance of a CDDTL  
2 license to Respondent, which in part informed Respondent of the following:

3 [T]here are certain obligations and responsibilities that a licensee must comply with.  
4 The following information about a licensee’s obligations and responsibilities  
5 regarding certain requirements of the California Deferred Deposit Transaction Law is  
6 provided for your reference.... [A] licensee should review and become familiar with  
7 all provisions of the law and rules and regulations.

- 8 ...  
9 5. A licensee is subject to statutory books and records requirements . . .  
10 (Section 23024.)

11 Notwithstanding knowledge regarding the licensure requirements, Respondent willfully  
12 and knowingly engaged in violations of the CDDTL.

13 California Financial Code section 23057 provides:

14 On December 1, 2007, the commissioner shall report to the Governor and the  
15 Legislature on its implementation of this division. The report shall include, at a  
16 minimum, information regarding the demand for deferred deposit transactions, the  
17 growth and trends in the industry, common practices for conducting the business of  
18 deferred deposit transactions, the advertising practices of the industry, including any  
19 violations of Section 23027, and any other information the commissioner deems  
20 necessary to inform the Governor and the Legislature regarding potential legislation  
21 that may be necessary to protect the people of the State of California. The  
22 commissioner's recommendations for future action may include, but are not limited  
23 to, changes in the fees charged to consumers, specifications regarding the length of  
24 time for deferred deposit transactions, maximum amount provided to consumers,  
25 additional regulation of advertising practices, and the implementation of an  
26 installment loan product in lieu of a deferred deposit transaction as described in this  
27 division.

28 As the commissioner conducts this study, licensees shall be required to supply all  
information the commissioner deems necessary. The study shall be made public and  
may not include any proprietary information.

Pursuant to California Financial Code section 23057, all CDDTL licensees were required  
to submit the names, addresses and telephone numbers of all individuals who obtained payday  
loans from April 15, 2006 to September 11, 2007 to Applied Management and Planning Group  
(AMPG) over the Internet via a secured website. On or about September 11, 2007, Respondent  
was notified by Federal Express, overnight delivery, that the customer information must be

1 submitted to AMPG no later than the close of business on October 1, 2007, to avoid revocation  
2 of its CDDTL license. To date, Respondent has failed to submit customer information required  
3 by section 23057.

4 Financial Code section 23052 provides, in pertinent part:

5 The commissioner may suspend or revoke any license, upon notice and reasonable  
6 opportunity to be heard, if the commissioner finds any of the following:

- 7 (a) The licensee has failed to comply with any demand, ruling, or requirement of  
8 the commissioner made pursuant to and within the authority of this division.
- 9 (b) The licensee has violated any provision of this division or any rule or  
10 regulation made by the commissioner under and within the authority of this division.
- 11 (c) A fact or condition exists that, if it had existed at the time of the original  
12 application for the license, reasonably would have warranted the commissioner in  
13 refusing to issue the license originally.

14 On October 4, 2007, the Commissioner issued to Respondent a Notice of Intention to  
15 Issue Order Revoking the CDDTL license held by Respondent, an Accusation, a Statement to  
16 Respondent accompanied by relevant legal references, and a form pleading, whereby  
17 Respondent could file a Notice of Defense to request a hearing concerning the revocation.  
18 Respondent was served with the foregoing documents and transmittal letter by certified mail.  
19 The return receipt was signed by owner Bu Young Lee. The Commissioner has not received  
20 any request for a hearing from Respondent and the time to request a hearing has expired.

21 THEREFORE, GOOD CAUSE APPEARING, pursuant to California Financial Code section  
22 23052, the deferred deposit transaction originator license issued to Respondent Bu Young Lee Co.,  
23 Inc., dba Omega Financial, is hereby revoked. This Order is effective as of the date hereof.

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Dated: February 14, 2008  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel  
Enforcement Division