

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

TO: **JOSE M. ROMO dba Money \$ Money Payday Advance**
2016 N. Riverside Ave., Suite # C
Rialto, CA 92377

CITATIONS
AND
DESIST AND REFRAIN ORDER
AND

ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS

(For violations of California Financial Code §§ 23024, 23027, 23036 (c) and California Code of Regulations, Title 10, § 2025 (b) and (c)(1))

The California Corporations Commissioner finds that:

1. JOSE M. ROMO, doing business as Money \$ Money Payday Advance (“Money \$ Money”) is and was, at all relevant times, an individual licensed by the Department of Corporations as a deferred deposit originator with its principal place of business located at 2016 N. Riverside Ave., Suite # C, Rialto, CA 92377.

2. Since at least August 2, 2005, Money \$ Money engaged in the business of deferred deposit transactions by offering, originating and making deferred deposit transactions.

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

4. On June 6, 2007, the Commissioner commenced a regulatory examination of the books and records of Money \$ Money. The examination revealed that Money \$ Money violated numerous provisions of the CDDTL as more specifically described below:

- (a) Money \$ Money failed to provide a current quarterly financial statement as required by California Code of Regulations, Title 10, § 2025(b), demonstrating that the minimum net worth prescribed under California Financial Code § 23007 is met.

(b) Money \$ Money's advertisements do not comply with California Financial Code § 23027 (b) in that the advertisements do not state that the company is licensed by the Department of Corporations Pursuant to the California Deferred Deposit Transaction Law.

(c) Money \$ Money's loan files did not contain evidence of the check made for each deferred deposit transaction in violation of California Code of Regulations, Title 10, § 2025 (c)(1).

(d) Money \$ Money originated deferred deposit transactions while an existing agreement was still in effect for the same customer in violation of California Financial Code § 23036 (c).

On August 13, 2007, an expanded examination of loan files from August 2, 2005 to the present was commenced in order to determine the number of borrowers that entered into deferred deposit transactions while an agreement for their existing deferred deposit transactions were still in effect. The expanded examination revealed that Money \$ Money originated deferred deposit transactions for four (4) customers (J.W., C.N., A.E., and M.C.) during a period of time in which an earlier deferred deposit transaction for those same customers was still in effect. Additionally, the expanded examination also revealed that Money \$ Money failed to keep a record of written agreements for all originated deferred deposit transactions in violation of California Financial Code § 23024.

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II.
CITATIONS

AND

DESIST AND REFRAIN ORDER

California Financial Code § 23058 states:

(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, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$ 2,500). All penalties collected under this section shall be deposited in the 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 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.

California Financial Code § 23050 provides in pertinent part:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division . . . or any licensee is violating any provision of this division . . . the commissioner may order that person or licensee to desist and to refrain

1 from ... further violation of this division. If, within 30 days, after the order is
2 served, a written request for a hearing is filed and no hearing is held within 30
3 days thereafter, the order is rescinded.

4 CITATIONS

5 Money \$ Money's specific violations include the following California Financial Code
6 sections: 23024, 23027, 23036 (c) and California Code of Regulations, title 10, § 2025 (b) and
7 (c)(1). For Money \$ Money's violations, the Commissioner is issuing Citations A through H as
8 follows:

- 9 1. **CITATION A** - Money \$ Money failed to provide a current quarterly financial statement as
10 required by California Code of Regulations, Title 10, § 2025(b), demonstrating that the
11 minimum net worth prescribed under California Financial Code § 23007 is met.
- 12 2. **CITATION B** – Money \$ Money's advertisement failed to comply with California Financial
13 Code § 23027 (b).
- 14 3. **CITATION C** – Money \$ Money failed to retain evidence of the check for each deferred
15 deposit transaction in violation of California Code of Regulations, title 10, § 2025 (c)(1).
- 16 4. **CITATION D** – Money \$ Money originated a deferred deposit transaction with a customer
17 (J.W.) while a previous deferred deposit transaction with the same customer was still in
18 effect in violation of California Financial Code § 23036 (c).
- 19 5. **CITATION E** - Money \$ Money originated a deferred deposit transaction with a customer
20 (C.N.) while a previous deferred deposit transaction with the same customer was still in
21 effect in violation of California Financial Code § 23036 (c).
- 22 6. **CITATION F** - Money \$ Money originated a deferred deposit transaction with a customer
23 (A.E.) while a previous deferred deposit transaction with the same customer was still in
24 effect in violation of California Financial Code § 23036 (c).
- 25 7. **CITATION G** - Money \$ Money originated a deferred deposit transaction with a customer
26 (M.C.) while a previous deferred deposit transaction with the same customer was still in
27 effect in violation of California Financial Code § 23036 (c).
- 28 8. **CITATION H** – Money \$ Money failed to maintain written agreements for all deferred
deposit transactions in violation of California Financial Code § 23024.

Pursuant to California Financial Code § 23058, Jose Romo dba Money \$ Money Payday Advance is hereby ordered to pay to the Commissioner within 30 days from the date of these citations, an administrative penalty of two thousand five hundred dollars (\$2,500) for each of the eight citations listed below for the total amount of twenty thousand dollars (\$20,000).

(1) **CITATION A** - \$2,500

(2) **CITATION B** - \$2,500

(3) **CITATION C** - \$2,500

(4) **CITATION D** - \$2,500

(5) **CITATION E** - \$2,500

(6) **CITATION F** - \$2,500

(7) **CITATION G** - \$2,500

(8) **CITATION H** - \$2,500

These Citations shall remain in full force and effect until further order of the Commissioner.

DESIST AND REFRAIN ORDER

Pursuant to California Financial Code §§ 23050 and 23058, Jose Romo dba Money \$ Money Payday Advance is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of California Financial Code §§ 23024, 23027, 23036 (c) and California Code of Regulations, title 10, § 2025 (b) and (c)(1).

The Desist and Refrain Order is necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

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III.**ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS**

Jose Romo dba Money \$ Money Payday Advance willfully violated California Financial Code § 23036 (c) by entering into deferred deposit transactions with at least four (4) consumers (J.W., C.N., A.E, and M.C.) while existing loans were outstanding. The amount of these transactions total \$4,500.

California Financial Code section 23060 states:

(a) If any amount other than, or in excess of, the charges or fees permitted by this division is willfully charged, contracted for, or received, a deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive the principal amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

(b) If any provision of this division is willfully violated in the making or collection of a deferred deposit transaction, the deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive any amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

Pursuant to California Financial Code § 23060, subdivision (b), the above described deferred deposit transactions for consumers (J.W., C.N., A.E., and M.C.) totaling at least \$4,500 are void and Jose Romo dba Money \$ Money Payday Advance has no right to collect or receive any amount provided in the deferred deposit transactions or any charges or fees in connection with these consumer transactions and is hereby ordered to immediately return any amount and all charges and fees received for these transactions.

Dated: March 11, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of June 2, 2008, by and between the Complainant, the California Corporations Commissioner ("Commissioner"), and Respondent, Jose Romo doing business as Money \$ Money Payday Advance ("Money \$ Money") (hereinafter collectively "the Parties").

RECITALS

This Agreement is made with reference to the following facts:

- A. Money \$ Money is a fictitious business name for Jose Romo, an individual. Money \$ Money has its principal place of business located at 2016 N. Riverside Ave., Suite # C, Rialto, CA 92377.
- B. Jose Romo is the only owner of Money \$ Money and is authorized to enter into this agreement on behalf of Respondents.
- C. Money \$ Money holds license number 100-2587 from the Commissioner under the California Deferred Deposit Transaction Law ("CDDTL") pursuant to California Financial Code sections 23005, 23008 and 23009.
- D. On March 11, 2008, the Commissioner issued to Respondents a Desist and Refrain Order, Citations, and Order to Void Deferred Deposit Transactions for violations of California Financial Code § 23000 et seq., that were served to Respondents on March 29, 2008. Copies of the Administrative Actions are attached and incorporated herein as Exhibit 1.
- E. It is the intention of the parties to resolve this matter without the necessity of an administrative hearing or other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. The purpose of this Agreement is to resolve the Administrative Actions expeditiously, avoid the expense of a hearing, and possible further court proceedings.
2. Waiver of Hearing Rights. Respondents acknowledge their right to a hearing under the CDDTL in connection with the Administrative Actions and hereby waive that right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CDDTL, the California Administrative Procedure Act ("APA"), the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consent to the agreement becoming final.

3. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from its attorneys with respect to the advisability of executing this Agreement.

4. Admissions. Respondents admit the FACTS stated below the California Corporations Commissioner findings in the Citations, Desist and Refrain Order, and Order to Void Deferred Deposit Transactions issued to Respondents, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner or other agencies against Respondents. It is the intent and understanding between the parties that this Agreement, and particularly the admissions of Respondents herein, shall not be binding or admissible against them in any action(s) with third parties.

5. Desist and Refrain Order. Respondents hereby acknowledge their right to an administrative hearing under Financial Code section 23050 in connection with the Desist and Refrain Order, and hereby waive that right to a hearing, and to any reconsideration, appeal, or other right which may be afforded pursuant to the Financial Code, the California Administrative Procedure Act, the California Code of Civil Procedure or any other provision of law in connection with this matter.

6. Voiding of Transactions. Respondents hereby agree to void the transactions described in the Citations, Desist and Refrain Order, and Order to Void Transactions issued to Respondents and to refund all amounts to Respondents' clients, J.W., C.N., A.E., and M.C. Respondents agree to refund at least \$4,500 plus indirect fees charged for their transactions. Respondents agree to refund all abovementioned amounts within 90 (ninety) days of the execution of this agreement. Any remaining amounts owed to and unclaimed by Respondent's clients shall be escheated to the State of California pursuant to the Unclaimed Property Law set forth in California Code of Civil Procedure sections 1300-1500 et seq. Respondents' failure to escheat the amounts owed to and unclaimed by Respondent's clients pursuant to the Unclaimed Property Law shall be a breach of this Agreement and shall be cause for the Commissioner to revoke or deny, respectively, any Department of Corporations license or any pending application of Respondents and any company owned or controlled by Jose Romo, their successors and assigns, by whatever names they might be known. Respondents waive any notice and hearing rights to contest such revocations or denials, which may be afforded under the Financial Code, the APA, the Code of Civil Procedure, or any other legal provisions.

7. Citations. Respondents hereby agree to pay to the Commissioner twenty-thousand dollars (\$20,000) for the Citations ("Citation Payment"). The first citation payment in the amount of five thousand dollars (\$5,000) is due on or before June 1, 2008. The second citation payment in the amount of five thousand dollars (\$5,000) is due on or before September 1, 2008. The third citation payment in the amount of five thousand dollars (\$5,000) is due on or before December 1, 2008. The fourth and final citation payment in the amount of five thousand dollars (\$5,000) is due on or before March 1, 2009. If at anytime either the first, second, third, or fourth citation payment is not received by the date specified, the entire remaining balance of citation payments shall become immediately due. Failure to pay the first, second, third, or fourth citation payments by their specified dates or the remaining balance of citation payments if the citation payments are not received by the date

specified, shall be a breach of this Agreement and shall be cause for the Commissioner to revoke or deny, respectively, any Department of Corporations license or any pending application of Respondents and any company owned or controlled by Jose Romo, their successors and assigns, by whatever names they might be known. Respondents waive any notice and hearing rights to contest such revocations or denials, which may be afforded under the Financial Code, the APA, the Code of Civil Procedure, or any other legal provisions. Respondents' Citation Payment shall be payable to the California Department of Corporations and delivered to the Department of Corporations' Los Angeles Office to the attention of the Complainant's Enforcement counsel Johnny Vuong.

8. Future Actions by the Commissioner. The Commissioner reserves the right to bring any future actions against Respondents or any of their partners, owners, employees or successors of Respondents for any and all unknown or future violations of the CDDTL. This Agreement shall not serve to exculpate Respondents or any of the partners, owners, employees or successors of Respondents from liability for any and all unknown or future violations of the CDDTL. If it is found, after the execution of this Agreement that Respondents have at any time violated any of the statutes and/or rules set forth in the CDDTL or Agreement, the Commissioner reserves the right to take further action against Respondents, including but not limited to, imposing penalties and requesting restitution of all CDDTL transactions originated in breach of this Agreement. Respondents acknowledge and agree that the Desist and Refrain provided for above in paragraph 5 shall not be the exclusive remedy available to the Commissioner in pursuing future violations but may be sought and employed in addition to any other remedy available pursuant to the CDDTL.

9. Failure to Make Consumer Refunds. Respondents acknowledge that within 90 (ninety) days after execution of this Agreement, they will offer to make refunds to all four consumers simultaneously. Failure to do so shall be a breach of this Agreement and shall be cause for the Commissioner to revoke or deny, respectively, any Department of Corporations license or any pending application of Respondents and any company owned or controlled by Jose Romo, his successors and assigns, by whatever names they might be known. Respondents waive any notice and hearing rights to contest such revocations or denials, which may be afforded under the Financial Code, the APA, the Code of Civil Procedure, or any other legal provisions.

10. Settlement Agreement Coverage. The parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of these Administrative Actions. The parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Respondents based upon any of the activities alleged in this matter or otherwise. This Agreement shall not become effective until signed by Respondents and delivered by all parties. Each of the parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this

clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

11. Full Integration. This Agreement, including the attached Citations, Desist and Refrain Order, and Order to Void Deferred Deposit Transactions is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supercedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity.

12. No Presumption From Drafting. In that the parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to, connected, to, or involving this Agreement. Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

13. Effective Date. This Agreement shall not become effective until signed by Respondents and delivered by all parties.

14. Counterparts. This Agreement may be executed in any number of counter-parts by the Parties and when each Party has signed and delivered at least one such counterpart to the other Party, each counterpart shall be deemed an original and taken together shall constitute one and the same Agreement.

15. Modifications and Qualified Integration. No amendment, change or modification of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the parties affected by it.

16. Headings and Governing Law. The headings to the paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Agreement shall be construed and enforced in accordance with and governed by California law.

17. Authority For Settlement. Each Respondents covenant that they possess all necessary capacity and authority to sign and enter into this Agreement. Each Party warrants and represents that such Party is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each Party warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

18. Public Record. Respondents acknowledge that this Agreement is a public record.

19. Voluntary Agreement. The Parties each represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

20. Notices. Notice shall be provided to each party at the following addresses:

If to Respondents to: Jose Romo, dba Money \$ Money Payday Advance
2016 N. Riverside Ave., Suite # C
Rialto, CA 92377

If to the Commissioner to: Steven C. Thompson, Special Administrator
Financial Services Div. Department of Corporations
320 W. 4th Street, Suite 750. Los Angeles, CA 90013-2344

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 6/20/08

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

JOSE ROMO doing business as MONEY \$
MONEY PAYDAY ADVANCE

Dated: 06/09/08

By _____
JOSE ROMO
an individual

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-7610 Fax: (213) 576-7130
5
6 Attorneys for Complainant

7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA
9

10 In the Matter of THE CALIFORNIA	) File Nos.: 100-2587
11 CORPORATIONS COMMISSIONER,)
12 Complainant,	) ORDER REVOKING CALIFORNIA
13 vs.	) DEFERRED DEPOSIT TRANSACTION LAW
	) LICENSE PURSUANT TO FINANCIAL
14 JOSE M. ROMO DBA MONEY \$ MONEY	) CODE SECTION 23016
15 PAYDAY ADVANCE)
16 Respondent.)
17)

18 The California Corporations Commissioner (“Commissioner”) finds that Respondent has
19 not paid the annual assessment as required by California Financial Code Section 23016, although
20 notification to pay the assessment was duly sent on or about May 20, 2011. Respondent was
21 notified on July 5, 2011 by E-Mail that payment of the assessment plus the penalty must be paid
22 no later than July 18, 2011 to avoid revocation of the California Deferred Deposit Transaction
23 Law license.

24 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
25 Transaction Law license is hereby revoked effective August 22, 2011 pursuant to California
26 Financial Code Section 23016 (c), unless the annual assessment plus the penalty is received in
27 good funds by the Department of Corporations Accounting Office located on 1515 K. Street,
28 Suite 200, Sacramento, California 95814, no later than the close of business on August 19, 2011.

1 On the effective date of this ORDER, if the annual assessment plus the penalty has not been paid,
2 you are hereby ordered and directed to discontinue engaging in the business of deferred deposit
3 transactions subject to the California Deferred Deposit Transaction Law.

4 This ORDER is to remain in full force and effect until the further written order of the
5 Commissioner of Corporations.

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7 California Financial Code section 23016 (c) provides as follows:

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9 If a licensee fails to pay the assessment on or before the 30th day of June
10 following the day upon which payment is due, the commissioner may by order
11 summarily suspend or revoke the certificate issued to the licensee. If, after an
12 order is made, a request for hearing is filed in writing within 30 days, and a
13 hearing is not held within 60 days thereafter, the order is deemed rescinded as of
14 its effective date. During any period when its certificate is revoked or suspended,
15 a licensee shall not conduct business pursuant to this division except as may be
16 permitted by order of the commissioner. However, the revocation, suspension or
17 surrender of a certificate shall not affect the powers of the commissioner as
18 provided in this division.

19
20 Dated: August 3, 2011
Los Angeles, CA

21 Effective: August 22, 2011

22
23 Preston DuFauchard
California Corporations Commissioner

24
25
26 B y _____
27 Steven C. Thompson
28 Special Administrator
California Deferred Deposit Transaction Law

1 PRESTON DUFAUCHARD
 2 California Corporations Commissioner
 3 ALAN S. WEINGER
 4 Deputy Commissioner
 5 Department of Corporations
 6 320 West 4th Street, Ste. 750
 7 Los Angeles, California 90013-2344
 8 Telephone: (213) 576-7610 Fax: (213) 576-7130
 9 Attorneys for Complainant

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

12 In the Matter of THE CALIFORNIA	) File Nos.: 100-2587
13 CORPORATIONS COMMISSIONER,)
14 Complainant,	) ORDER SETTING ASIDE ORDER
15 vs.	) REVOKING CALIFORNIA DEFERRED
16	) DEPOSIT TRANSACTION LAW LICENSE
17	) PURSUANT TO FINANCIAL CODE
18	) SECTION 23016
19 JOSE M. ROMO DBA MONEY \$ MONEY)
20 PAYDAY ADVANCE)
21 Respondent.)
22)

23 The California Corporations Commissioner finds that:

24 GOOD CAUSE APPEARING, the Order Revoking California Deferred Deposit Transaction
 25 License pursuant to Financial Code Section 23016 for failure to pay the annual assessment issued by
 26 the Commissioner to Jose M. Romo dba Money \$ Money Payday Advance on August 3, 2011 is
 27 hereby set aside effective as of August 22, 2011.

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1 Dated: September 7, 2011
2 Effective Date: August 22, 2011

3 Los Angeles, CA

4 Preston DuFauchard
5 California Corporations Commissioner
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8 By _____
9 Steven C. Thompson
10 Special Administrator
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