

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
6 Attorneys for Complainant

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

10 In the Matter of the Accusation of THE ) Case No.: 100-2574  
11 CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ACCUSATION  
)  
13 Complainant, )  
)  
14 vs. )  
)  
15 LINDA H. SMITH doing business as RENT TO )  
16 OWN )  
)  
17 Respondent. )  
18 \_\_\_\_\_)

19 The Complainant is informed and believes, and based upon such information and belief,  
20 alleges and charges Respondent as follows:

21 I

22 Respondent Linda K. Smith doing business as Rent To Own (“Rent To Own”) is a deferred  
23 deposit transaction originator licensed by the California Corporations Commissioner  
24 (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law (California  
25 Financial Code § 23000 et seq.) (“CDDTL”). Rent To Own is licensed as an individual that has its  
26 principal place of business located at 2145 W. Whitendale Avenue, Visalia, CA 93277.  
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II

Pursuant to Financial Code section 23057, all licensees were required to file a Survey on or before March 15, 2007. The Survey forms and instructions were mailed to all licensees on or about January 5, 2007. On or about March 27, 2007, Rent To Own was notified by certified mail, return receipt requested that the Survey had to be filed no later than the close of business on April 13, 2007 to avoid revocation of its CDDTL license.

Rent To Own has yet to file the Survey in violation of California Financial Code section 23057.

III

California Financial Code section 23057 provides that:

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

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.

California Financial Code section 23052 provides in pertinent part:

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

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(a) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

IV

The Commissioner finds that, by reason of the foregoing, Rent To Own has violated California Financial Code sections 23057, and based thereon, grounds exist to revoke the deferred deposit transaction license of Rent To Own.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of Rent To Own be revoked.

Dated: May 3, 2007  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Steven C. Thompson  
Special Administrator