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

13)
14 In the Matter of the Accusation of) File No.: 100-0990
15 THE CALIFORNIA CORPORATIONS)
16 COMMISSIONER,) ACCUSATION
17)
18 Complainant,)
19)
20 vs.)
21)
22 Chi S. Okatabetz dba)
23 United Check Cashing,)
24)
25 Respondent.)

26 Complainant, the California Corporations Commissioner, is informed and believes, and
27 based upon such information and belief, alleges and charges Respondent as follows:

28 INTRODUCTION

The California Corporations Commissioner (hereinafter “Complainant” or “Commissioner”) issued Respondent, Chi S. Okatabetz doing business as United Check Cashing, a deferred deposit transaction originator license (File No. 100-0990) pursuant to California Deferred Deposit Transaction Law (“CDDTL”) set forth in California Financial Code sections 23000 *et seq.*

1 All future references to sections will be to the California Financial Code unless indicated otherwise.

2 The Commission seeks an order to revoke the deferred deposit transaction originator license
3 of Respondent pursuant to California Financial Code section 23052 by reason of the numerous
4 violations of the CDDTL in the State of California.

5 I

6 DEFERRED DEPOSIT TRANSACTION LAW VIOLATIONS

7 On August 2, 2006, the Commissioner’s examiners commenced a regulatory examination of
8 the Respondent’s books and records at Respondent’s principal place of business, which is located at
9 1955 Monument Blvd., #4B, Concord, California 94520. The regulatory examination disclosed that
10 Respondent had failed to comply with legal requirements imposed on all CDDTL licensees.
11 Respondent’s specific violations include, but are not limited to, the following:

12 Respondent failed to maintain deferred deposit transaction¹ records for a period of two years
13 from the date of the transactions as required by section 23024 and California Code of Regulations,
14 title 10, section 2025(c)(1).

15 Upon the completion of the transactions, Respondent routinely destroyed deferred deposit
16 transaction records, including evidence of checks in violation of section 23024 and California Code
17 of Regulations, title 10, section 2025(c)(1).

18 The examination of transactions revealed that Respondent failed to enter into written
19 agreements for deferred deposit transactions in violation of section 23035, subdivision (a).

20 Respondent made multiple loans to customers while existing loans were outstanding in
21 violation of section 23036, subdivision (c).

22 Respondent made loans where the face amount of the checks exceeded \$300 in violation of
23 section 23035, subdivision (a).

24 Respondent failed to provide notice to customers prior to entering into deferred deposit
25 transactions as required in violation of section 23035, subdivision (c).

26 _____
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.

1 Respondent failed to post notice in conspicuous view of the public as required in violation of
2 section 23035, subdivision (d).

3 Respondent filed a false annual report in violation of section 23026 and California Code of
4 Regulations, title 10, section 2030.

5 Respondent charged customers excessive fees for non-sufficient funds in violation of section
6 23036, subdivision (b).

7 Respondent charged customers fees for extending the due dates of loans in violation of
8 section 23036, subdivision (b).

9 Respondent also charged customers late fees in violation of section 23036, subdivision (e).

10 II

11 COMMISSISONER’S AUTHORITY TO REVOKE RESPONDENT’S CDDTL LICENSE

12 Section 23052 set for the grounds for a suspension or revocation of license and states:

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

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

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

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

26 CONCLUSION

27 Complainant finds, by reason of the foregoing, that Respondent has violated sections 23024,
28 23026, 23035, 23036, as well as sections 2025 and 2030 of title 10 of the California Code of
Regulations. Therefore, the Commissioner is justified under California Financial Code section
23052 in revoking Respondent’s California deferred deposit transaction license.

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WHEREFORE IT IS PRAYED that the deferred deposit transaction license of Respondent,
Chi S. Okatabetz doing business as United Check Cashing, be revoked.

Dated: December 22, 2006
San Francisco, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Joan E. Kerst
Senior Corporations Counsel