

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: DOUG DE COSTER
ZIPPY’S CURRENCY X-CHANGE, INC.
dba POWER CHECK CASHING and PAYDAY ADVANCE and ZIPPY’S #2

600 W. Sepulveda Blvd.
Carson, CA 90745

18016 S. Western Ave.
Gardena, CA 90248

DESIST AND REFRAIN ORDER
(For violations of California Financial Code section 23005)

The California Corporations Commissioner finds that:

1. The California Corporations Commissioner (“Commissioner”) is informed and believes and based upon such information and belief alleges that ZIPPY’S CURRENCY X-CHANGE, INC. (“ZIPPY’S”) is and was at all relevant times herein, a California corporation dba Power Check Cashing and Payday Advance (“POWER PAYDAY ADVANCE”) and ZIPPY’S #2 with its principal place of business located at 600 W. Sepulveda Blvd., Carson, CA. ZIPPY’S has one branch location situated at 18016 S. Western Ave., Gardena, CA.
2. DOUG DE COSTER (“DE COSTER”), an Officer of ZIPPY’S, is and was at all times relevant herein, the manager of POWER PAYDAY ADVANCE.
3. ZIPPY’S, POWER PAYDAY ADVANCE and DE COSTER have engaged in the business of deferred deposit transactions by offering and/or originating deferred deposit transactions as described below.
4. A deferred deposit transaction is a written transaction whereby one person gives 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.

1 5. Neither ZIPPY’S, POWER PAYDAY ADVANCE or DE COSTER have been
2 issued a license by the Commissioner authorizing it to engage in the business of deferred deposit
3 transactions under the California Deferred Deposit Transaction Law (“CDDTL”) (California
4 Financial Code §§ 23000 et seq.).

5 6. Neither ZIPPY’S, POWER PAYDAY ADVANCE or DE COSTER is exempt
6 from the licensing requirements of California Financial Code section 23005.

7 7. ZIPPY’S, POWER PAYDAY ADVANCE and DE COSTER were specifically
8 aware that a CDDTL license was required in order to engage in the business of deferred deposit
9 transactions. On February 8, 2005, the Commissioner issued ZIPPY’S, POWER PAYDAY
10 ADVANCE and DE COSTER a letter informing them that deferred deposit transactions could
11 not be originated without a license issued by the Department of Corporations. In April 2005, DE
12 COSTER acknowledged to the Department, that the February 8, 2005 letter had been received
13 and DE COSTER admitted that ZIPPY’S and POWER PAYDAY ADVANCE had engaged in
14 deferred deposit transaction business between January 1, 2005 and April 12, 2005.

15 8. An investigation conducted by the Department disclosed that on May 10, 2005,
16 ZIPPY’S and POWER PAYDAY ADVANCE were open for business at the Gardena location
17 stated above. An advertisement was observed on the storefront stating “Payday Advance Loans”,
18 “Quick and Easy” and “Need Cash Fast” in large print. Inside the store lobby area there were
19 payday notices, fees schedules, APR disclosures, a flyer and a business card identifying the store
20 location telephone number and a list of services provided. DE COSTER told the examiner that
21 ZIPPY’S and POWER PAYDAY ADVANCE had not made any payday loans since speaking
22 with the Department in April 2005. According to DE COSTER, a CDDTL application had been
23 filed in late April 2005, but there was no record of such at the Department of Corporations.

24 9. On July 13, 2005, a Department examiner visited the Carson location and
25 requested copies of the last two CDDTL transactions for each location as well as an explanation
26 as to why ZIPPY’S and POWER PAYDAY ADVANCE continued to make payday loans
27 without a license. DE COSTER responded in writing that ZIPPY’S and POWER PAYDAY
28 ADVANCE stopped issuing new loans to new customers in March 2005.

//

1 10. On July 14, 2005, ZIPPY’S and POWER PAYDAY ADVANCE filed two
2 applications for the above referenced locations. In response, DE COSTER was asked to provide
3 loan agreements for the Gardena location as well as the total number of loans handled at both
4 locations by ZIPPY’S and POWER PAYDAY ADVANCE in 2005.
5

6 11. DE COSTER responded in writing on July 26, 2005, admitting that ZIPPY’S and
7 POWER PAYDAY ADVANCE had engaged in a total of 1,257 deferred deposit transactions in
8 2005, at both locations.
9

10 12. On July 27, 2005, the Commissioner sent a deficiency letter to ZIPPY’S, POWER
11 PAYDAY ADVANCE and DE COSTER informing them of items needed to complete the
12 application. The July 2005 letter specifically informed the applicants that their permit issued by
13 the Department of Justice to engage in the business of deferred deposit transactions was no
14 longer valid after December 31, 2004 and that they were unable to engage in the business
15 of deferred deposit transactions after December 31, 2004 without a license issued by the
16 Commissioner of the Department of Corporations.
17

18 13. On August 3, 2005, the examiner requested a list of all payday loans made
19 between January 1, 2005 and August 3, 2005. DE COSTER faxed a loan list which showed that 26
20 loans had been made to new and existing customers between April 12, 2005 and August 1, 2005.

21 These transactions were entered into after DE COSTER had been told that he, ZIPPY’S and
22 POWER PAYDAY ADVANCE could not engage in the business of deferred deposit transactions
23 unless and until a license had been issued.

24 By reason of the foregoing, ZIPPY’S, POWER PAYDAY ADVANCE and DE COSTER
25 have offered, originated and/or made a deferred deposit transaction and are engaging in the
26 business of deferred deposit transactions without having first obtained a license from the
27 Commissioner in violation of California Financial Code section 23005.
28

//

1 //
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Pursuant to California Financial Code section 23050, ZIPPY’S, POWER PAYDAY ADVANCE and DE COSTER are hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt. This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. This order shall remain in full force and effect until further order of the Commissioner.

California Financial Code section 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, without a license from the commissioner . . . the commissioner may order that person or licensee to desist and to refrain from engaging in the business If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Dated: September 6, 2005
Los Angeles, CA

WAYNE STRUMPFER
Acting Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law

1 PRESTON DuFAUSHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-6205 Fax: (213) 576-7181

5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File No.: 100-2684; 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER REVOKING CALIFORNIA
Complainant,) DEFERRED DEPOSIT TRANSACTION LAW
12) LICENSE PURSUANT TO FINANCIAL
vs.) CODE SECTION 23053
13)
14 ZIPPY’S CURRENCY X-CHANGE, INC.)
doing business as POWER CHECK CASHING)
15 PAYDAY ADVANCE)
16)
Respondent.)

17
18 The California Corporations Commissioner (“Commissioner”) finds that Respondent has
19 not filed the annual report as required by California Financial Code Section 23026, although
20 notification to file the annual report was duly sent by certified mail, return receipt requested on
21 or about March 20, 2009.

22
23 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
24 Transaction Law license is hereby revoked effective May 4, 2009 pursuant to California
25 Financial Code Section 23053, unless the annual report is received by the Department of
26 Corporations at the Los Angeles office located at 320 W. Fourth Street, Suite 750, Los Angeles,
27 California, 90013, no later than the close of business on May 1, 2009. On the effective date of
28 this ORDER, if the annual report has not been received by the Department of Corporations, you

1 are hereby ordered and directed to discontinue engaging in the business of deferred deposit
2 transactions subject to the California Deferred Deposit Transaction Law.

3
4 This ORDER is to remain in full force and effect until the further written order of the
5 Commissioner of Corporations.

6
7 California Financial Code section 23053 provides as follows:

8
9 The commissioner may by order summarily suspend or revoke the license of any
10 licensee if that person fails to file the report required by Section 23026 within 10
11 days after notice by the commissioner that the report is due and not filed. If, after
12 an order is made, a request for hearing is filed in writing within 30 days and the
13 hearing is not held within 60 days thereafter, the order is deemed rescinded as of
14 its effective date.

15 Dated: April 15, 2009
16 Los Angeles, CA

17 Effective: May 4, 2009

18
19 PRESTON DuFAUCHARD
California Corporations Commissioner

20
21 By _____
22 Steven C. Thompson
23 Special Administrator
24 California Deferred Deposit Transaction Law
25
26
27
28

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-6205 Fax: (213) 576-7181

5 Attorneys for Complainant

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

9	In the Matter of THE CALIFORNIA	)	Case No.: 100-2684; 100-2685
10	CORPORATIONS COMMISSIONER,)	
11	Complainant,	)	ORDER SETTING ASIDE ORDER
12	vs.	)	REVOKING CALIFORNIA DEFERRED
13		)	DEPOSIT TRANSACTION LAW LICENSE
14	ZIPPY’S CURRENCY X-CHANGE, INC.)	
15	doing business as POWER CHECK CASHING)	
16	PAYDAY ADVANCE)	
	Respondent.)	

17
18
19 The California Corporations Commissioner finds that:

20 On April 30, 2009, Zippy’s Currency X-Change, Inc. doing business as Power Check
21 Cashing Payday Advance (“Zippy’s Currency”) submitted their annual report as required by
22 California Financial Code Section 23026.

23 THEREFORE, GOOD CAUSE APPEARING, the Order Revoking California Deferred
24 Deposit Transaction License pursuant to Financial Code Section 23053 issued by the Commissioner
25 to Zippy’s Currency on April 15, 2009 is hereby set aside as of May 1, 2009.

26 /
27 /
28 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Effective Date: May 1, 2009
Dated: May 5, 2009
Los Angeles, CA

Preston DuFauchard
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Deputy Commissioner
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-6205 Fax: (213) 576-7181

5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File Nos.: 100-2684; 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER REVOKING CALIFORNIA
Complainant,) DEFERRED DEPOSIT TRANSACTION LAW
12) LICENSE PURSUANT TO FINANCIAL
vs.) CODE SECTION 23016
13)
14 ZIPPY’S CURRENCY X-CHANGE, INC. dba)
POWER CHECK CASHING PAYDAY)
15 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, 2009. Respondent was
21 notified on July 8, 2009 by certified mail, return receipt requested that payment of the assessment
22 plus the penalty must be paid no later than July 27, 2009 to avoid revocation of the California
23 Deferred Deposit Transaction Law licenses.

24 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
25 Transaction Law licenses are hereby revoked effective October 5, 2009 pursuant to California
26 Financial Code Section 23016 (c), unless the annual assessment is received in good funds by the
27 Department of Corporations Accounting Office located on 1515 K. Street, Suite 200,
28 Sacramento, California 95814, no later than the close of business on October 1, 2009. On the

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

6
7 California Financial Code section 23016 (c) provides as follows:

8
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: September 17, 2009
Los Angeles, CA

21 Effective: October 5, 2009

22
23 Preston DuFauchard
California Corporations Commissioner

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

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) 576-6205 Fax: (213) 576-7181

5 Attorneys for Complainant
6

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

10	In the Matter of THE CALIFORNIA	)	File Nos.: 100-2684; 100-2685
11	CORPORATIONS COMMISSIONER,)	
12	Complainant,	)	ORDER SETTING ASIDE ORDER
13	vs.	)	REVOKING CALIFORNIA DEFERRED
14	ZIPPY’S CURRENCY X-CHANGE, INC. dba	)	DEPOSIT TRANSACTION LAW LICENSE
15	POWER CHECK CASHING PAYDAY	)	PURSUANT TO FINANCIAL CODE
16	ADVANCE	)	SECTION 23016
17	Respondent.)	

18 The California Corporations Commissioner finds that:

19 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance paid its
20 annual assessment as required by California Financial Code Section 23016.

21 THEREFORE, GOOD CAUSE APPEARING, the Order Revoking California Deferred
22 Deposit Transaction License pursuant to Financial Code Section 23016 issued by the
23 Commissioner to Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance
24 on September 17, 2009 is hereby set aside effective October 5, 2009.

25 /
26 /
27 /
28 /

1 Dated: October 7, 2009
2 Effective Date: October 5, 2009
3 Los Angeles, CA

4 Preston DuFauchard
5 California Corporations Commissioner

6
7
8 By _____
9 Steven C. Thompson
10 Special Administrator
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

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

9	In the Matter of THE CALIFORNIA	)	Case No.: 100-2684 100-2685
10	CORPORATIONS COMMISSIONER,)	
11	Complainant,	)	ORDER SETTING ASIDE ORDER
12		)	REVOKING CALIFORNIA DEFERRED
13	vs.	)	DEPOSIT TRANSACTION LAW LICENSE
14	ZIPPY’S CURRENCY X-CHANGE, INC. DBA))	
15	POWER CHECK CASHING PAYDAY)	
16	ADVANCE)	
	Respondent.)	

17
18
19 The California Corporations Commissioner finds that:

20 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance submitted
21 their annual report as required by California Financial Code Section 23026.

22 THEREFORE, GOOD CAUSE APPEARING, the Order Revoking California Deferred
23 Deposit Transaction License pursuant to Financial Code Section 23053 issued by the Commissioner
24 to Cash On A Dot, Inc. on April 8, 2010 is hereby set aside as of April 26, 2010.

25 /
26 /
27 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Effective date: April 26, 2010
Dated: May 3, 2010
Los Angeles, CA

Preston DuFauchard
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA
9

10 In the Matter of the Accusation of THE) Case No.: 100-2684 100-2685
CALIFORNIA CORPORATIONS)
11 COMMISSIONER,) ACCUSATION
12)
Complainant,)
13)
14 vs.)
15 ZIPPY’S CURRENCY X-CHANGE, INC.)
DBA POWER CHECK CASHING PAYDAY)
16 ADVANCE)
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 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance
23 (“Zippy’s”) is a deferred deposit transaction originator licensed by the California Corporations
24 Commissioner (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law
25 (California Financial Code § 23000 et seq.) (“CDDTL”). Zippy’s is a corporation authorized to
26 conduct business in this state with its principal place of business at 18016 S. Western Avenue,
27 Gardena, CA 90248. Zippy’s has an additional licensed location at 600 W. Sepulveda Boulevard,
28 Carson, CA 90745.

1 Pursuant to California Financial Code section 23013, all CDDTL licensees are required to
2 maintain a surety bond in the minimum amount of \$25,000.00. The surety bond of Zippy’s expired
3 on April 17, 2010. On or about March 26, 2010, the Commissioner notified Zippy’s by certified
4 mail, return receipt requested that a replacement surety bond had to be filed immediately, but no
5 later than the expiration date to avoid suspension or revocation of its CDDTL license. The
6 notification was delivered to Zippy’s on or about March 29, 2010.

7 Zippy’s has not obtained a replacement surety bond in violation of California Financial Code
8 section 23013.

9 III

10 California Financial Code section 23013 provides in pertinent part:

11 A licensee shall maintain a surety bond in accordance with this subdivision in the
12 amount of twenty-five thousand dollars (\$25,000). The bond shall be payable to the
13 commissioner and issued by an insurer authorized to do business in this state. A copy
14 of the bond, including any and all riders and endorsements executed subsequent to the
15 effective date of the bond, shall be filed with the commissioner for review and
16 approval within 10 days of execution. For licensees with multiple licensed locations,
17 only one surety bond in the amount of twenty-five thousand dollars (\$25,000) is
18 required. The bond shall be used for the recovery of expenses, fines, and fees levied
19 by the commissioner in accordance with this division or for losses or damages
20 incurred by consumers as the result of a licensee's noncompliance with the
21 requirements of this division.

18 California Financial Code section 23052 provides in pertinent part:

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

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

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

28 (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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IV

The Commissioner finds that, by reason of the foregoing Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance has violated California Financial Code section 23013, and based thereon, grounds exist to revoke the deferred deposit transaction license of Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance be revoked.

Los Angeles, California
Dated: June 17, 2010

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Lead Corporations Counsel
4 Department of Corporations
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344

6 Attorneys for Complainant

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

10	In the Matter of THE CALIFORNIA	)	Case No.: 100-2684; 100-2685
11	CORPORATIONS COMMISSIONER,)	
12	Complainant,	)	ORDER SETTING ASIDE NOTICE OF
13	vs.	)	INTENTION TO ISSUE ORDER REVOKING
14	ZIPPYS CURRENCY EXCHANGE, INC.	)	CALIFORNIA DEFERRED DEPOSIT
15	doing business as POWER CHECK CASHING	)	TRANSACTION LAW LICENSE
16	PAYDAY ADVANCE)	
17	Respondent.)	

18 The California Corporations Commissioner finds that:

19 On June 30, 2010, Zippy’s Currency Exchange, Inc. dba Power Check Cashing Payday
20 Advance filed a Notice of Reinstatement from Hartford Fire Insurance Company reinstating the
21 surety bond that had been previously canceled. .

22
23 THEREFORE, GOOD CAUSE APPEARING, the Notice of Intention to Issue Order
24 Revoking California Deferred Deposit Transaction License pursuant to Financial Code Section
25 23052 issued by the Commissioner to Zippy’s Currency Exchange, Inc. dba Power Check Cashing
26 Payday Advance on June 17, 2010 is hereby set aside effective this date.

27 /

28 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: July 1, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File Nos.: 100-2684 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER REVOKING CALIFORNIA
Complainant,) DEFERRED DEPOSIT TRANSACTION LAW
12) LICENSE PURSUANT TO FINANCIAL
vs.) CODE SECTION 23016
13)
14 ZIPPY’S CURRENCY X-CHANGE, INC. DBA)
POWER CHECK CASHING PAYDAY)
15 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, 2010. Respondent was
21 notified on July 9, 2010 by E-Mail that payment of the assessment plus the penalty must be paid
22 no later than July 26, 2010 to avoid revocation of the California Deferred Deposit Transaction
23 Law licenses.

24 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
25 Transaction Law licenses are hereby revoked effective August 30, 2010 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 27, 2010.

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.

6
7 California Financial Code section 23016 (c) provides as follows:

8
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 Dated: August 13, 2010
20 Los Angeles, CA

21 Effective: August 30, 2010

22
23 Preston DuFauchard
24 California Corporations Commissioner

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

1 PRESTON DuFAUSHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File No.: 100-2684 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER REVOKING CALIFORNIA
Complainant,) DEFERRED DEPOSIT TRANSACTION LAW
12) LICENSE PURSUANT TO FINANCIAL
vs.) CODE SECTION 23053
13)
14 ZIPPY’S CURRENCY X-CHANGE, INC. DBA)
POWER CHECK CASHING PAYDAY)
15 ADVANCE)
16)
Respondent.)
17

18 The California Corporations Commissioner (“Commissioner”) finds that Respondent has
19 not filed the annual report as required by California Financial Code Section 23026, although
20 notification to file the annual report was duly sent by certified mail, return receipt requested on
21 or about March 18, 2010.

22
23 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
24 Transaction Law licenses are hereby revoked effective April 26, 2010 pursuant to California
25 Financial Code Section 23053, unless the annual report is received by the Department of
26 Corporations at the Los Angeles office located at 320 W. Fourth Street, Suite 750, Los Angeles,
27 California, 90013, no later than the close of business on April 23, 2010. On the effective date of
28 this ORDER, if the annual report has not been received by the Department of Corporations, you

1 are hereby ordered and directed to discontinue engaging in the business of deferred deposit
2 transactions subject to the California Deferred Deposit Transaction Law.

3
4 This ORDER is to remain in full force and effect until the further written order of the
5 Commissioner of Corporations.

6
7 California Financial Code section 23053 provides as follows:

8
9 The commissioner may by order summarily suspend or revoke the license of any
10 licensee if that person fails to file the report required by Section 23026 within 10
11 days after notice by the commissioner that the report is due and not filed. If, after
12 an order is made, a request for hearing is filed in writing within 30 days and the
13 hearing is not held within 60 days thereafter, the order is deemed rescinded as of
14 its effective date.

15 Dated: April 8, 2010
16 Los Angeles, CA

17 Effective: April 26, 2010

18
19 PRESTON DuFAUCHARD
California Corporations Commissioner

20
21 By _____
22 Steven C. Thompson
23 Special Administrator
24 California Deferred Deposit Transaction Law
25
26
27
28

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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File Nos.: 100-2684 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER SETTING ASIDE ORDER
12 Complainant,) REVOKING CALIFORNIA DEFERRED
13 vs.) DEPOSIT TRANSACTION LAW LICENSE
14 ZIPPY’S CURRENCY X-CHANGE, INC. DBA) PURSUANT TO FINANCIAL CODE
POWER CHECK CASHING PAYDAY) SECTION 23016
ADVANCE)
16)
17 Respondent.)

18 The California Corporations Commissioner finds that:

19 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance paid its annual
20 assessment as required by California Financial Code Section 23016.

21 THEREFORE, GOOD CAUSE APPEARING, the Order Revoking California Deferred
22 Deposit Transaction Licenses pursuant to Financial Code Section 23016 for failure to pay the annual
23 assessment issued by the Commissioner to Zippy’s Currency X-Change, Inc. dba Power Check
24 Cashing Payday Advance on August 13, 2010 is hereby set aside effective as of August 30, 2010.

25 /
26 /
27 /
28 /

1 Dated: September 1, 2010
2 Effective Date: August 30, 2010
3 Los Angeles, CA

4
5 Preston DuFauchard
6 California Corporations Commissioner

7
8 By _____
9 Steven C. Thompson
10 Special Administrator
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of the Accusation of THE) Case No.: 100-2684 100-2685
CALIFORNIA CORPORATIONS)
11 COMMISSIONER,) ACCUSATION
12)
Complainant,)
13)
14 vs.)
15 ZIPPY’S CURRENCY X-CHANGE, INC. DBA)
POWER CHECK CASHING PAYDAY)
16 ADVANCE)
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 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance
23 (“Zippy’s”) is a deferred deposit transaction originator licensed by the California Corporations
24 Commissioner (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law
25 (California Financial Code § 23000 et seq.) (“CDDTL”). Zippy’s is licensed as a corporation
26 authorized to conduct business in this state with its principal place of business at 18016 S. Western
27 Avenue, Gardena, CA 90248. Zippy’s holds a license for an additional business location at 600
28 W. Sepulveda Boulevard, Carson, CA 90745.

II

Pursuant to California Financial Code section 23046 (a), all CDDTL licensees may be examined by the Commissioner or the Commissioner's representatives at any time, but not less than once every two years. Pursuant to California Financial Code section 23046 (b), each licensee is required to pay for the costs of the examination. On or about November 8, 2008, an examination of Zippy's was commenced. On or about February 17, 2010, the Department of Corporations ("Department") sent Invoice Numbers 50656 and 50657 in the amounts of \$1,922.32 and \$870, respectively, to Zippy's for the costs of the examination, with payment due upon receipt of the invoices. The Department sent letters dated April 15, 2010 and May 15, 2010 informing Zippy's that Invoice Numbers 50656 and 50657 in the amounts of \$1,922.32 and \$870 were unpaid and that failure to pay the invoices could result in a claim filed against the surety bond and suspension or revocation of the licenses. On or about June 17, 2010, the Commissioner notified Zippy's by certified mail, return receipt requested that failure to pay the outstanding invoices within ten (10) business days of the date of the letter would result in collection being pursued through the administrative process, which may include filing a claim against the surety bond and an action to revoke the licenses. The notification was delivered to Zippy's on or about June 18, 2010. On August 5, 2010, Zippy's was notified by E-Mail that invoice numbers 50656 and 50657 in the amounts of \$1,922.32 and \$870 needed to be paid immediately in order to avoid an action to suspend or revoke the licenses. Zippy's has not paid the invoices in the amounts of \$1,922.32 and \$870.

III

California Financial Code section 23046 provides in pertinent part:

(a) For the purpose of discovering violations of this division or securing information required by the commissioner in the administration and enforcement of this division, the commissioner may at any time, but not less than once every two years, investigate the business of deferred deposits, and examine the books, accounts, records, and files used in the business of deferred deposit transactions, of every person engaged in the business of deferred deposit transactions, whether the person acts or claims to act as a principal or an agent, or under or without the authority of this division. For the purpose of examination, the commissioner and the commissioner's representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(b) The cost of each examination of a licensee or a person subject to this division shall be paid to the commissioner by the licensee or person examined, and the commissioner may maintain an action for the recovery of the cost in any court of competent jurisdiction. In determining the cost of an examination, the commissioner may use the estimated average hourly cost for all persons performing examinations of licensees or other persons subject to this division for the fiscal year.

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:

(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, Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance has violated California Financial Code section 23046, and based thereon, grounds exist to revoke the deferred deposit transaction licenses of Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction licenses of Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance be revoked.

Los Angeles, California
Dated: September 3, 2010

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commission
2 ALAN WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

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

9 In the Matter of THE CALIFORNIA) Case No.: 100-2684 100-2685
10 CORPORATIONS COMMISSIONER,)
11 Complainant,) ORDER SETTING ASIDE NOTICE OF
12 vs.) INTENTION TO ISSUE ORDER REVOKING
13) CALIFORNIA DEFERRED DEPOSIT
14 ZIPPY’S CURRENCY X-CHANGE, INC. DBA) TRANSACTION LAW LICENSE
15 POWER CHECK CASHING PAYDAY)
16 ADVANCE)
Respondent.)

17
18 The California Corporations Commissioner finds that:

19 Zippy’s Currency X-Change, Inc. dba Power Check Cashing Payday Advance paid invoice
20 numbers 50656 and 50657 in the amounts of \$1,922.32 and \$870 for the cost the regulatory
21 examination.
22

23 THEREFORE, GOOD CAUSE APPEARING, the Notice of Intention to Issue Order
24 Revoking California Deferred Deposit Transaction License pursuant to Financial Code Section
25 23052 issued by the Commissioner to Zippy’s Currency X-Change, Inc. dba Power Check Cashing
26 Payday Advance on September 3, 2010 is hereby set aside effective this date.

27 /
28 /

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: September 30, 2010
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9
10 In the Matter of THE CALIFORNIA) File Nos.: 100-2684 100-2685
CORPORATIONS COMMISSIONER,)
11) ORDER REVOKING CALIFORNIA
Complainant,) DEFERRED DEPOSIT TRANSACTION LAW
12) LICENSE PURSUANT TO FINANCIAL
vs.) CODE SECTION 23016
13)
14 ZIPPY’S CURRENCY X-CHANGE, INC. DBA)
POWER CHECK CASHING PAYDAY)
15 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.
20 Respondent paid its annual assessment with check number 1088 in the amount of \$1,938.46,
21 which included the assessment of \$1,882 plus late penalties of \$56.46. The Department of
22 Corporations was notified by its bank that check number 1088 in the amount of \$1,938.46 was
23 returned unpaid, with the notation “Not Sufficient Funds”. Respondent was notified in letters
24 dated September 22, 2010 and October 29, 2010 of the returned check and informing respondent
25 that a replacement check in the amount of \$1,938.46 plus a \$10 service charge must be received
26 within 15 business days from the date of the letter to avoid revocation of the licenses. The
27 Department of Corporations also sent a letter dated October 26, 2010 by Certified Mail, Return
28 Receipt Requested informing respondent of the returned check and notifying respondent that a

1 replacement check in the amount of \$1,938.46 plus a \$10 service fee must be received within 15
2 business days from the date of the letter to avoid an action to revoke the licenses. The certified
3 letter was delivered to Respondent on or about October 27, 2010. Respondent has failed to
4 submit a replacement check in the amount of \$1,938.46 plus a \$10 service for payment of the
5 annual assessment in violation of California Financial Code Section 23016.

6
7 THEREFORE, GOOD CAUSE APPEARING, Respondent’s California Deferred Deposit
8 Transaction Law licenses are hereby revoked effective December 7, 2010 pursuant to California
9 Financial Code Section 23016 (c), unless the annual assessment plus the penalty plus the \$10
10 service fee in the amount of \$1,948.46 is received in the form of a cashiers check or money order
11 by the Department of Corporations Accounting Office located on 1515 K. Street, Suite 200,
12 Sacramento, California 95814, no later than the close of business on December 6, 2010. On the
13 effective date of this ORDER, if the annual assessment plus the penalty plus the service fee has
14 not been paid, you are hereby ordered and directed to discontinue engaging in the business of
15 deferred deposit transactions subject to the California Deferred Deposit Transaction Law.

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

18
19 California Financial Code section 23016 (c) provides as follows:

20
21 If a licensee fails to pay the assessment on or before the 30th day of June
22 following the day upon which payment is due, the commissioner may by order
23 summarily suspend or revoke the certificate issued to the licensee. If, after an
24 order is made, a request for hearing is filed in writing within 30 days, and a
25 hearing is not held within 60 days thereafter, the order is deemed rescinded as of
26 its effective date. During any period when its certificate is revoked or suspended,
27 a licensee shall not conduct business pursuant to this division except as may be
28 permitted by order of the commissioner. However, the revocation, suspension or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

surrender of a certificate shall not affect the powers of the commissioner as provided in this division.

Dated: November 18, 2010
Los Angeles, CA

Effective: December 7, 2010

Preston DuFauchard
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: **ZIPPY’S CURRENCY X-CHANGE, INC. DOING BUSINESS AS POWER
CHECK CASHING PAYDAY ADVANCE, CASH COW PAYDAY ADVANCE AND
WESTERN AVENUE CHECK CASHING
DOUG DECOSTER
MARK ZIPPERT
CAROL ZIPPERT**
18016 S. Western Ave.
Gardena, California 90248
and
600 W. Sepulveda Blvd.
Carson, California 90745

**CITATIONS
AND
DESIST AND REFRAIN ORDER
AND
ORDER TO VOID DEFERRED DEPOSIT TRANSACTIONS**
(For violations of California Financial Code § 23005)

The California Corporations Commissioner finds that:

1. At all relevant times herein, Zippy’s Currency X-Change, Inc., doing business as Power Check Cashing Payday Advance, Cash Cow Payday Advance and Western Avenue Check Cashing (“Zippy’s”) was a California corporation.
2. At all relevant times herein, Mark Zippert (“Zippert”) was a control person of Zippy’s.
3. At all relevant times herein, Carol Zippert was a control person of Zippy’s.
4. At all relevant times herein, Doug DeCoster (“DeCoster”) was a control person of Zippy’s.
5. Zippy’s was a deferred deposit originator licensed by the Department of Corporations (“Department”) under the California Deferred Deposit Transaction Law (“CDDTL”)

1 (California Financial Code section 23000 et seq.) at its two locations: 18016 S. Western Ave.,
2 Gardena, California 90248 (License No. 100-2684) (“Gardena Store”) and 600 W. Sepulveda Blvd.,
3 Carson, California 90745 (License No. 100-2685) (“Carson Store”).

4 6. Zippy’s has been subject to numerous administrative actions taken by the
5 Department for violations of the CDDTL. Since 2005, the Department has taken the following
6 administrative actions against Zippy’s for violating the CDDTL:

7 (1) On December 6, 2005, the Department issued an order against Zippy’s and DeCoster
8 to Desist and Refrain from originating deferred deposit transactions without a license;

9 (2) On April 15, 2009, the Department issued an order revoking Zippy’s CDDTL
10 licenses for failure to file an annual report. The order was subsequently rescinded upon filing of the
11 annual report prior to the effective date of the revocation.

12 (3) On April 8, 2010, the Department issued an order revoking Zippy’s CDDTL licenses
13 for failure to file an annual report. The order was subsequently rescinded upon filing of the annual
14 report prior to the effective date of the revocation.

15 (4) On June 17, 2010, the Department issued a Notice of Intention to issue an order
16 revoking Zippy’s CDDTL licenses for failure to maintain a surety bond. The Notice of Intention
17 was set aside upon filing of a surety bond.

18 (5) On September 3, 2010, the Department issued an order revoking Zippy’s CDDTL
19 licenses for failure to pay the invoices for the Department’s regulatory examination. The order was
20 subsequently rescinded upon payment of the invoices prior to the effective date of the revocation.

21 7. Under California Financial Code section 23016, all CDDTL licensees are required to
22 pay an annual assessment to the Department. On August 13, 2010, the Department issued an Order
23 Revoking California Deferred Deposit Transaction Law License Pursuant to Financial Code section
24 23010 to Zippy’s (“August 2010 Revocation Order”) due to Zippy’s failure to pay their annual
25 assessment. The August 2010 Revocation Order ordered that if Zippy’s failed to pay their annual
26 assessment and a late payment penalty by close of business on August 27, 2010, the revocation
27 order would go into effect on August 30, 2010, and Zippy’s CDDTL licenses would be revoked.

28 8. Zippy’s sent a check to the Department in the amount of \$1,938.46 (“Assessment

1 Check”) prior to the August 27, 2010 deadline and the Department issued an Order Setting Aside
2 Order Revoking California Deferred Deposit Transaction Law License Pursuant to Financial Code
3 section 23010.

4 9. The Department attempted to cash the Assessment Check, but the check was
5 returned with a “Not Sufficient Funds” notation. On September 22, 2010, the Department sent a
6 letter to Zippy’s informing them that their Assessment Check was returned for non sufficient funds,
7 and that Zippy’s must send a new check to the Department within 15 business days of September
8 22, 2010, in the amount of \$1,948.36, which consisted of the original annual assessment and late
9 penalty, plus an additional \$10 dishonored check service charge. The letter noted that Zippy’s
10 would be subject to possible penalties, suspension and revocation if they failed to send in a new
11 check by the deadline. Zippy’s did not send a new check by the 15 business day deadline.

12 10. On October 25, 2010, the Special Administrator for the CDDTL (“Special
13 Administrator”) sent an email to Zippy’s designated contact person, DeCoster, reminding him that
14 Zippy’s had failed to send in a new check and that failure to respond to the second request will
15 result in a revocation action. The Special Administrator also sent an identical letter by certified mail
16 to Zippy’s on October 26, 2010. A return receipt was signed by an individual at the Carson Store on
17 October 27, 2010, evidencing receipt of the letter. Zippy’s failed to either send in a new check or
18 respond to the Department’s letters.

19 11. On November 18, 2010, the Department issued another Order Revoking California
20 Deferred Deposit Transaction Law License Pursuant to Financial Code section 23010 (“November
21 2010 Revocation Order”). The November 2010 Revocation Order ordered that if Zippy’s failed to
22 send a new check to the Department by December 6, 2010, the revocation order would go into
23 effect on December 7, 2010. The November 2010 Revocation Order was served on Zippy’s by
24 certified mail and the return receipt was signed by an individual at the Carson Store on November
25 19, 2010, evidencing receipt of the November 2010 Revocation Order. Zippy’s failed to either send
26 in a new check or request a hearing on the November 2010 Revocation Order.

27 12. On December 7, 2010, the November 2010 Revocation Order went into effect and
28 Zippy’s two CDDTL licenses, License Nos. 100-2684 and 100-2685, for the Gardena Store and

1 Carson Store, respectively, were revoked.

2 13. On July 28, 2011, the Department sent a Corporations Examiner (“Examiner”) to the
3 Gardena Store and Carson Store to conduct a special examination and determine whether or not
4 Zippy’s was originating deferred deposit transactions without a license in violation of California
5 Financial Code section 23005 (a).

6 14. The Examiner first arrived at the Carson Store which now advertised itself as “Cash
7 Cow Payday Advance.” The Examiner confirmed with an employee that the Carson Store offered
8 deferred deposit transactions. The Examiner also obtained an application form which had “Power
9 Payday Advance” on it, and a business card with the name “Power Check Cashing Payday
10 Advance.” The Examiner observed that no license was posted at the Carson Store.

11 15. The Examiner then arrived at the Gardena Store and spoke with Zippert. Zippert
12 assisted the Examiner and confirmed that they offer deferred deposit transactions. The Examiner
13 then requested that Zippert provide a record of all deferred deposit transactions generated by the
14 Gardena Store between December 7, 2010 and July 28, 2011. The Gardena Store’s records reflect
15 that between December 7, 2010 and July 28, 2011, the Gardena Store originated 1,537 deferred
16 deposit transactions of which the total financed amount was \$361,480.12 and fees collected were
17 \$63,362.80. Zippert informed the Department that the Carson Store had been sold since January 1,
18 2010.

19 16. On August 15, 2011, the Examiner returned to the Carson Store and met with
20 DeCoster. The Examiner requested that DeCoster provide the Department with a record of all
21 deferred deposit transactions generated by the Carson Store between December 7, 2010 and August
22 15, 2011. The Carson Store’s records reflect that between December 7, 2010 and August 15, 2011,
23 the Carson Store originated 711 deferred deposit transactions of which the total financed amount
24 was \$160,925.00 and the fees collected were \$28,255.47. DeCoster stated that the Carson Store was
25 still owned by Zippy’s. However, DeCoster indicated that he was working on turning the Carson
26 Store into a sole proprietorship under his name.

27 17. On August 22, 2011, the Examiner spoke with Zippert by telephone and requested
28 additional loan records for the Gardena Store reflecting loan activity between July 28, 2011 and

1 August 22, 2011. The records reveal that between July 28, 2011 and August 22, 2011, the Gardena
2 Store originated 106 deferred deposit transactions of which the total financed amount was
3 \$24,979.42 and the fees collected were \$4,408.29. Zippert also informed the examiner that Zippy’s
4 was now doing business as “Western Avenue Check Cashing.” The Examiner informed Zippert that
5 because Zippy’s licenses were revoked, he must cease all deferred deposit transaction activity.

6 18. On August 22, 2011, the Examiner left voice mail messages with DeCoster
7 informing him that the Department wanted to review the Carson Store’s loan records between
8 August 15, 2011 and August 22, 2011 and also that DeCoster had to cease all deferred deposit
9 transaction activity. DeCoster failed to produce the loan records to the Department or respond to the
10 Department’s voice mail.

11 19. Zippy’s has originated a total of 2,248 unlicensed deferred deposit transactions at the
12 Carson and Gardena stores since Zippy’s CDDTL licenses were revoked on December 7, 2010, of
13 which the total financed amount was \$522,405.12 and the fees collected were \$91,618.27.

14 **I.**

15 **CITATIONS**

16 **AND**

17 **DESIST AND REFRAIN ORDER**

18 **(For violations of California Financial Code section 23005 (a))**

19 California Financial Code § 23005 provides, in pertinent part:

- 20 (a) No person shall offer, originate, or make a deferred
21 deposit transaction, arrange a deferred deposit transaction for a
22 deferred deposit originator, act as an agent for a deferred deposit
23 originator, or assist a deferred deposit originator in the
24 origination of a deferred deposit transaction without first obtaining
a license from the commissioner and complying with the provisions of
this division.

25 California Financial Code § 23058 provides, in pertinent part:

- 26 (a) If, upon inspection, examination or investigation, based upon a
27 complaint or otherwise, the department has cause to believe that a person
28 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 Department 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 Department, any person is engaged in business in the business of deferred deposit transactions, as defined in this division, without a license from the Department . . . the Department may order that person or licensee to desist and to refrain from engaging in the business If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

A.

CITATIONS

Zippy’s originated at least 2,248 deferred deposit transactions after its license was revoked on December 7, 2010, in violation of California Financial Code section 23005 (a). For Zippy’s violations, the Department is issuing Citations 1 through 2,248 as follows:

CITATIONS 1 – 2,248 – Zippy’s originated a deferred deposit transaction without obtaining a license from the Department in violation of California Financial Code section 23005 (a).

1 Pursuant to California Financial Code section 23058, Zippy’s Currency X-Change, Inc.,
2 doing business as Power Check Cashing Payday Advance, Cash Cow Payday Advance and Western
3 Avenue Check Cashing, Doug DeCoster, Mark Zippert, and Carol Zippert are hereby ordered to pay
4 to the Department within 30 days from the date of these citations, an administrative penalty of
5 \$2,500 for each of the 2,248 citations listed below, for the total amount of \$5,620,000.

6 (1) **CITATIONS 1 – 2,248 - \$5,620,000**

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

8 **B.**

9 **DESIST AND REFRAIN ORDER**

10 Pursuant to California Financial Code sections 23050 and 23058, Zippy’s Currency X-
11 Change, Inc., doing business as Power Check Cashing Payday Advance, Cash Cow Payday
12 Advance and Western Avenue Check Cashing, Doug DeCoster, Mark Zippert, and Carol Zippert
13 are hereby ordered to desist and refrain from engaging in the business of deferred deposit
14 transactions, including but not limited to, originating or offering to originate deferred deposit
15 transactions in the State of California without first obtaining a license from the Department of
16 Corporations, or otherwise being exempt.

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

20 **II.**

21 **ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

22 Zippy’s Currency X-Change, Inc., doing business as Power Check Cashing Payday
23 Advance, Cash Cow Payday Advance and Western Avenue Check Cashing, Doug DeCoster,
24 Mark Zippert, and Carol Zippert willfully violated California Financial Code section 23005 (a)
25 by originating at least 2,248 deferred deposit transactions without a license, despite the
26 knowledge that their license was revoked on December 7, 2010.

27 California Financial Code § 23060 provides, in pertinent part:
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(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 section 23060 (b), all deferred deposit transactions originated by Zippy’s Currency X-Change, Inc., doing business as Power Check Cashing Payday Advance, Cash Cow Payday Advance and Western Avenue Check Cashing, Doug DeCoster, Mark Zippert, and Carol Zippert after December 7, 2010, in an amount of at least \$614,023.53 as of the date of this order, shall be declared void and Zippy’s Currency X-Change, Inc., doing business as Power Check Cashing Payday Advance, Cash Cow Payday Advance and Western Avenue Check Cashing, Doug DeCoster, Mark Zippert, and Carol Zippert has no right to collect or receive any amount provided in the deferred deposit transactions, any charges, or fees in connection with those transactions, and is hereby ordered to immediately return any amount and all charges and fees received for these transactions.

Dated: September 21, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Department

By _____

Alan S. Weinger
Deputy Commissioner
Enforcement Division