

1 ALAN S. WEINGER
Deputy Commissioner
2 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
3 Department of Corporations
320 West 4th Street, Ste. 750
4 Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181
5 Attorneys for Complainant
6
7

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA
10

11 In the Matter of the Accusation of THE) File Nos. 603-F867 & 603-H198
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)
13 Complainant,) ORDER BARRING IGOR SPANIC FROM
14 vs.) ANY POSITION OF EMPLOYMENT,
15) MANAGEMENT OR CONTROL OF ANY
16 GC LOAN CENTER, INC., GRACIELA) FINANCE LENDER AND/OR BROKER
DELOURDES RUIZ ZAMORA, IGOR)
17 SPANIC, BRYAN ALEXIS CRUZ, WALTER)
18 ALEXANDER REYES, DAVID S. WATKINS)
and DANIEL C. STAR,)
19 Respondent.)
20

21 The California Corporations Commissioner finds that:

- 22 1. Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the
23 California Corporations Commissioner ("Commissioner") pursuant to the California Finance
24 Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC
25 Loan currently holds two licenses issued under the CFLL. The main licensed location is at 2829 N.
26 San Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license is located at
27 4501 W. Pico Boulevard, Los Angeles, California 90019.
28

1 2. Respondent Graciela DeLourdes Ruiz Zamora (“Zamora”), according to the
2 documents submitted to the Department of Corporations (“Department”), was the president,
3 secretary, treasurer, sole shareholder, sole director and person responsible for the lending activities
4 of GC Loan from the date of filing of the initial CFLL license application on or about September 7,
5 2007 until on or about November 18, 2009.

6 3. Respondent Igor Spanic (“Spanic”), according to the documents submitted to the
7 Department, was the manager of the Pico branch since its licensure on or about March 24, 2009.

8 4. Respondent Daniel C. Star aka Danijel Kociper (“Star”) was at least during the period
9 of September 7, 2007 through on or about November 18, 2009, a person responsible for lending
10 activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc.
11 (“Five Stars”) and involved with the management and operations of CT Loans Center, Inc. (“CT
12 Loans”).

13 5. During the course of a regulatory examination commenced on or about September 25,
14 2009, GC Loan, under Zamora, was found to have violated numerous provisions of the CFLL. The
15 regulatory examination disclosed that GC Loan had, among other violations, (i) failed to maintain
16 proper books and records in violation of Financial Code section 22156; (ii) in five of nineteen, or
17 approximately twenty-six percent (26%) of the loans reviewed, charged borrowers an interest rate in
18 excess of that allowed under Financial Code section 22303 or 22304 in that the bona fide principal
19 amount was less than \$2,500.00; (iii) in five of nineteen, or approximately twenty-six percent (26%)
20 of the loans reviewed, charged excessive administrative fees to borrowers who took out loans with
21 bona fide principal amounts of \$2,500 or less in violation of Financial Code section 22305; (iv) in
22 five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed, compounded
23 interest charges on loans under \$5,000.00 in violation of Financial Code section 22309; (v) in all five
24 (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior to selling the
25 repossessed vehicle in violation of California Code of Regulations, title 10, section 1538(b)(1); (vi)
26 in all five (100%) loans reviewed involving repossessed vehicles, sold the repossessed vehicle to an
27 affiliate (Five Stars) in violation of California Code of Regulations, title 10, section 1540; and (vii)
28 in four of five, or approximately eighty percent (80%) of the loans reviewed involving repossessed

1 vehicles, used an unlicensed company to repossess vehicles in violation of Financial Code section
2 22329¹.

3 6. Based on the above, Spanic has (i) violated California Code of Regulations, title 10,
4 section 1538(b)(1) by failing to obtain three bids prior to selling repossessed vehicles, (ii) violated
5 California Code of Regulations, title 10, section 1540 by selling repossessed vehicles to Five Stars,
6 an affiliate, and (iii) violated Financial Code section 22329 by using an unlicensed company to
7 repossess vehicles;

8 7. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an
9 Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California
10 Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance
11 Lender and/or Broker), Accusation and accompanying documents against GC Loan, Spanic and
12 others. Spanic was personally served with those documents on January 28, 2012. The Department
13 has received no request for a hearing or any other response from Spanic and the time to request a
14 hearing has expired.

15 8. The above-described violations constitute grounds under Financial Code section
16 22169 to bar a person from any employment, management or control of any finance lender and/or
17 broker.

18 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Igor Spanic is
19 hereby barred from any position of employment, management or control of any finance lender
20 and/or broker. This order is effective as of the date hereof.

21 Dated: February 14, 2012
22 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

23 By _____
24 Alan S. Weinger
25 Deputy Commissioner
26 Enforcement Division

27 _____
28 ¹ According to the documents obtained during the examination, Spanic was the person at GC Loan most involved in the
repossession issues besides Star.

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
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11 In the Matter of the Accusation of THE) File Nos. 603-F867 & 603-H198
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
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Complainant,)
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vs.)
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16 GC LOAN CENTER, INC., GRACIELA)
DELOURDES RUIZ ZAMORA, IGOR)
17 SPANIC, BRYAN ALEXIS CRUZ, WALTER)
ALEXANDER REYES, DAVID S. WATKINS)
18 and DANIEL C. STAR,)
19)
Respondents.)
20

21 The Complainant is informed and believes, and based upon such information and belief,
22 alleges and charges Respondents as follows:

23 I

24 Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the California
25 Corporations Commissioner ("Commissioner") pursuant to the California Finance Lenders Law of
26 the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC Loan currently
27 holds two licenses issued under the CFLL. The main licensed location is at 2829 N. San Fernando
28

1 Boulevard, Suite 203, Los Angeles, California 90065. The branch license is located at 4501 W. Pico
2 Boulevard, Los Angeles, California 90019.

3 Respondent Graciela DeLourdes Ruiz Zamora (“Zamora”), according to the documents
4 submitted to the Department of Corporations (“Department”), was the president, secretary, treasurer,
5 sole shareholder, sole director and person responsible for the lending activities of GC Loan from the
6 date of filing of the initial CFLL license application on or about September 7, 2007 until on or about
7 November 18, 2009.

8 Respondent Igor Spanic (“Spanic”), according to the documents submitted to the
9 Department, was the manager of the Pico branch since its licensure on or about March 24, 2009.

10 Respondent Bryan Alexis Cruz (“Cruz”), according to the documents submitted to the
11 Department, was the president, secretary, sole shareholder, sole director and person responsible for
12 the lending activities of GC Loan from on or about November 18, 2009 until on or about May 25,
13 2010.

14 Respondent Walter Alexander Reyes aka Walter Reyes aka Walter Reyes-Illescas (“Reyes”),
15 according to the documents submitted to the Department, was the president, secretary, treasurer, and
16 sole shareholder of GC Loan from on or about May 25, 2010 until on or about October 29, 2010.

17 Respondent David S. Watkins (Watkins”), according to the documents submitted to the
18 Department, is and was from on or about October 29, 2010, the president, secretary, treasurer, and
19 sole shareholder of GC Loan.

20 Respondent Daniel C. Star aka Danijel Kociper (“Star”) was at least during the period of
21 September 7, 2007 through on or about November 18, 2009, a person responsible for lending
22 activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc.
23 (“Five Stars”) and involved with the management and operations of CT Loans Center, Inc. (“CT
24 Loans”).

25 Financial Code section 22101 provides that an application for a CFLL license shall be in the
26 form and contain the information that the Commissioner may by rule require. Financial Code
27 section 22101 and California Code of Regulations, title 10, section 1422, requires corporate
28 applicants to disclose to the Commissioner in the application all officers, directors, any person

1 owning or controlling, directly or indirectly, 10% or more of the applicant, all person(s) who would
2 be in charge of the business, and all person(s) with direct responsibility for the proposed activities of
3 the applicant.

4 On or about September 7, 2007, GC Loan filed its application for a lender/broker license
5 with the Commissioner pursuant to California Financial Code section 22101 (File No. 603-F867
6 hereinafter the “application”).

7 The application identified Zamora as the president, vice-president, secretary, treasurer, sole
8 director, sole shareholder and person in charge of GC Loan. As required by California Code of
9 Regulations, title 10, section 1422, the application included a Statement of Identity and
10 Questionnaire (“SIQ”) for Zamora. Section 1422 requires CFLL applications to include an SIQ for
11 all officers, directors, any person owning or controlling, directly or indirectly, 10% or more of the
12 applicant, all person(s) who would be in charge of the business, and all person(s) with direct
13 responsibility for the proposed activities of the applicant. There were no other persons listed.
14 Zamora executed the application under penalty of perjury as president of GC Loan. The issuance of
15 the CFLL license to GC Loan on or about June 11, 2008 was based upon all the information
16 submitted with the application, including the Department of Justice background check on Zamora.

17 III

18 On January 23, 2009, GC Loan filed a short form application for one further lender/broker
19 license (File No. 603-H198 hereinafter "branch application") with the Commissioner pursuant to the
20 CFLL. The branch application was for a location situated at 4501 West Pico Boulevard, Los
21 Angeles, California 90019. The application identified Zamora as the owner-president of GC Loan
22 and Zamora verified the application as the owner-president of GC Loan. The branch application
23 disclosed an Igor Spanic as the branch manager. An SIQ for Spanic was filed with the branch
24 application.

25 IV

26 Pursuant to Financial Code section 22108 and California Code of Regulations, title 10,
27 section 1422, all CFLL licensees are required to amend their application(s) if there is any change in
28 any of the persons required to be identified in the application(s). Additionally, California Code of

1 Regulations, title 10, section 1409 requires CFLL licensees to maintain a current list of officers,
2 directors and other persons required to be disclosed in the application with the Commissioner, and in
3 the event of any change, to file with the Commissioner the same information on such new persons as
4 is required for an original license within 30 days of the change.

5 On or about September 25, 2009, the Commissioner, by and through his staff, commenced a
6 regulatory examination of GC Loan. The regulatory examination disclosed that CT Loans and Star
7 were persons responsible for lending activities at GC Loan, at least during the period that GC Loan
8 was under Zamora. In particular, CT Loans and Star were issuing loan proceeds checks to GC Loan
9 borrowers from CT Loans' bank account. CT Loans and Star have never been identified in any
10 application and/or application amendment filed with the Commissioner by GC Loan.

11 Star was also an undisclosed person in charge at Loxley & Star, Inc., a former California
12 Deferred Deposit Transaction Law licensee of the Department of Corporations ("Department"),
13 whose license was revoked for failing to disclose all required persons, among other violations of the
14 California Deferred Deposit Transaction Law. Star is also named in a September 28, 2009 Desist
15 and Refrain Order issued by the Department against CT Loans Center, Inc. and Star, among others,
16 for engaging in unlicensed CFLL lending activities.

17 Accordingly, the initial application submitted by GC Loan under Zamora violated Financial
18 Code section 22101 and California Code of regulations, title 10, section 1422 in that it failed to
19 disclose Star and/or CT Loans Center, Inc. In the alternative, if the changes occurred after licensure,
20 GC Loan, under Zamora, violated California Financial Code section 22108 and California Code of
21 Regulations, title 10, sections 1409 and 1422, by failing to amend its initial application to disclose
22 the positions of Star and/or CT Loans Center, Inc. with GC Loan.

23 V

24 During the course of the regulatory examination commenced on or about September 25,
25 2009, GC Loan, under Zamora, was found to have violated numerous provisions of the CFLL. The
26 regulatory examination disclosed that GC Loan had, among other violations, (i) failed to maintain
27 proper books and records in violation of Financial Code section 22156; (ii) in five of nineteen, or
28 approximately twenty-six percent (26%) of the loans reviewed, charged borrowers an interest rate in

1 excess of that allowed under Financial Code section 22303 or 22304 in that the bona fide principal
2 amount was less than \$2,500.00; (iii) in five of nineteen, or approximately twenty-six percent (26%)
3 of the loans reviewed, charged excessive administrative fees to borrowers who took out loans with
4 bona fide principal amounts of \$2,500 or less in violation of Financial Code section 22305¹; (iv) in
5 five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed, compounded
6 interest charges on loans under \$5,000.00 in violation of Financial Code section 22309; (v) in all five
7 (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior to selling the
8 repossessed vehicle in violation of California Code of Regulations, title 10, section 1538(b)(1); (vi)
9 in all five (100%) loans reviewed involving repossessed vehicles, sold the repossessed vehicle to an
10 affiliate (Five Stars) in violation of California Code of Regulations, title 10, section 1540; and (vii)
11 in four of five, or approximately eighty percent (80%) of the loans reviewed involving repossessed
12 vehicles, used an unlicensed company to repossess vehicles in violation of Financial Code section
13 22329².

14 VI

15 On or about March 3, 2010, as a result of the findings of the regulatory examination, GC
16 Loan was required to conduct a self audit of all loans made during the period of June 11, 2008
17 through to the present (March 2010) and make refunds to overcharged customers. As part of the self
18 audit, GC Loan was required to submit an electronic report to the Department in Microsoft Access or
19 Excel, which report was to include the borrower's name, address, account number, date of loan,
20 amount of refund, date of refund, check number or account credited for all affected customers. The
21 report, along with a response to other exceptions noted during the examination, was to be submitted
22 to the Department within 30 days. GC Loan, under Cruz, did not submit any response to the
23 Department. Thereafter, GC Loan, under Reyes did submit a response, but not until on or about July
24 17, 2010 (105 days late) and the CD-Rom submitted by GC Loan allegedly containing the results of
25 the self audit was inaccessible.

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28 ¹ GC Loan was charging such borrowers a fee of \$75 rather than the statutory maximum of \$50 or less.

² According to the documents obtained during the examination, Spanic was the person at GC Loan most involved in the repossession issues besides Star.

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IX

Pursuant to Financial Code section 22112, all CFLL licensees are required to maintain a surety bond in the minimum amount of \$25,000.00. On or about March 18, 2011, the Commissioner notified GC Loan that its surety bond was being canceled and that a replacement bond must be obtained by April 20, 2011. The surety bond of GC Loan was canceled effective April 20, 2011, and no replacement has been obtained by GC Loan, under Watkins, in violation of Financial Code section 22112.

X

Based on the above, **GC Loan, Zamora and Star** have (i) violated Financial Code section 22101 and California Code of regulations, title 10, section 1422 by failing to disclose CT Loans Center, Inc and Star in its application and/or violated Financial Code section 22108 and California Code of Regulations, title 10, section 1409 by failing to amend its application to disclose CT Loans Center, Inc. and Star, (ii) violated California Code of Regulations, title 10, section 1409 by failing to maintain a current list of officers and directors with the Commissioner, (iii) violated Financial Code section 22303 or 22304 by charging excessive interest rates on loans, (iv) violated Financial Code section 22305 by overcharging administrative fees, and (v) violated Financial Code section 22309 by compounding interest charges on loans under \$5,000.00; **GC Loan, Zamora, Star and Spanic** have (i) violated California Code of Regulations, title 10, section 1538(b)(1) by failing to obtain three bids prior to selling repossessed vehicles, (ii) violated California Code of Regulations, title 10, section 1540 by selling repossessed vehicles to Five Stars, an affiliate, and (iii) violated Financial Code section 22329 by using an unlicensed company to repossess vehicles; **GC Loan and Cruz** have (i) violated Financial Code sections 22159(b) and 22701 by failing to file a response to the regulatory examination findings, including filing a self audit report, and (ii) violated Financial Code section 22707 by failing to pay the regulatory examination fees; **GC Loan and Reyes** have (i) violated Financial Code sections 22159(b) and 22701 by failing to file a response to the regulatory examination findings, including filing a self audit report, and (ii) violated Financial Code section 22707 by failing to pay the regulatory examination fees; and **GC Loan and Watkins** have (i) violated Financial Code section 22112 by failing to maintain a surety bond, (ii) violated Financial

1 Code sections 22102 and 22152 by conducting lending activities from an unlicensed location; (iii)
2 violated Financial Code sections 22159(b) and 22701 by failing to file a response to the regulatory
3 examination findings, including filing a self audit report, and (iv) violated Financial Code section
4 22707 by failing to pay the regulatory examination fees.

5 XI

6 California Financial Code section 22714 provides in pertinent part:

7 (a) The commissioner shall suspend or revoke any license,
8 upon notice and reasonable opportunity to be heard, if the
9 commissioner finds any of the following:

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

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

16 California Financial Code section 22169 provides in pertinent part:

17 (a) The commissioner may, after appropriate notice and opportunity
18 for hearing, by order, . . . bar from any position of employment, management,
19 or control any finance lender, broker, or any other person, if the commissioner
20 finds either of the following:

21 (1) That the censure, suspension, or bar is in the public interest and that
22 the person has committed or caused a violation of this division or rule or
23 order of the commissioner, which violation was either known or should
24 have been known by the person committing or causing it or has caused
25 material damage to the finance lender, or to the public.

26 XII

27 Complainant finds that, by reason of the foregoing, **Respondents GC Loan, Zamora and**
28 **Star** have violated Financial Code sections 22101, 22108, 22303 or 22304, 22305 and 22309 and
California Code of Regulations, title 10, sections 1409 and 1422; **Respondents GC Loan, Zamora,**
Star and Spanic have violated Financial Code section 22329 and California Code of Regulations,
title 10, sections 1538(b)(1) and 1540; **Respondents GC Loan and Watkins** have violated
Financial Code sections 22102, 22112, 22152 and 22159(a); **Respondents GC Loan, Cruz, Reyes**

1 **and Watkins** have violated Financial Code sections 22159(b), 22701 and 22707, and it is in the best
2 interests of the public to revoke the finance lender/broker license of GC Loan and to bar
3 Respondents Zamora, Star, Spanic, Cruz, Reyes, and Watkins from any position of employment,
4 management or control of any finance lender and/or broker.

5 WHEREFORE, IT IS PRAYED that the finance lender/broker licenses of GC Loan be
6 revoked and that Respondents Zamora, Star, Spanic, Cruz, Reyes, and Watkins be barred from any
7 position of employment, management or control of any finance lender and/or broker.

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9 Dated: October 12, 2011
10 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

11 By _____
12 Judy L. Hartley
13 Senior Corporations Counsel

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14) EMPLOYMENT, MANAGEMENT OR
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16 GC LOAN CENTER, INC., GRACIELA)
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21 The California Corporations Commissioner finds that:

22 1. Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the
23 California Corporations Commissioner ("Commissioner") pursuant to the California Finance
24 Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC
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1 2. Respondent Graciela DeLourdes Ruiz Zamora (“Zamora”), according to the
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5 2007 until on or about November 18, 2009.

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7 of September 7, 2007 through on or about November 18, 2009, a person responsible for lending
8 activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc.
9 (“Five Stars”) and involved with the management and operations of CT Loans Center, Inc. (“CT
10 Loans”).

11 4. Financial Code section 22101 provides that an application for a CFLL license shall be
12 in the form and contain the information that the Commissioner may by rule require. Financial Code
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16 be in charge of the business, and all person(s) with direct responsibility for the proposed activities of
17 the applicant.

18 5. On September 7, 2007, GC Loan filed its application for a lender/broker license with
19 the Commissioner pursuant to California Financial Code section 22101 (File No. 603-F867
20 hereinafter the “application”).

21 6. The application identified Zamora as the president, vice-president, secretary,
22 treasurer, sole director, sole shareholder and person in charge of GC Loan. As required by
23 California Code of Regulations, title 10, section 1422, the application included a Statement of
24 Identity and Questionnaire (“SIQ”) for Zamora. Section 1422 requires CFLL applications to include
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26 more of the applicant, all person(s) who would be in charge of the business, and all person(s) with
27 direct responsibility for the proposed activities of the applicant. There were no other persons listed.
28 Zamora executed the application under penalty of perjury as president of GC Loan. The issuance of

1 the CFLL license to GC Loan on June 11, 2008 was based upon all the information submitted with
2 the application, including the Department of Justice background check on Zamora.

3 7. On January 23, 2009, GC Loan filed a short form application for one further
4 lender/broker license (File No. 603-H198 hereinafter "branch application") with the Commissioner
5 pursuant to the CFLL. The branch application was for a location situated at 4501 West Pico
6 Boulevard, Los Angeles, California 90019. The application identified Zamora as the owner-
7 president of GC Loan and Zamora verified the application as the owner-president of GC Loan. The
8 branch application disclosed an Igor Spanic ("Spanic") as the branch manager. An SIQ for Spanic
9 was filed with the branch application.

10 8. Pursuant to Financial Code section 22108 and California Code of Regulations, title
11 10, section 1422, all CFLL licensees are required to amend their application(s) if there is any change
12 in any of the persons required to be identified in the application(s). Additionally, California Code of
13 Regulations, title 10, section 1409 requires CFLL licensees to maintain a current list of officers,
14 directors and other persons required to be disclosed in the application with the Commissioner, and in
15 the event of any change, to file with the Commissioner the same information on such new persons as
16 is required for an original license within 30 days of the change.

17 9. On or about September 25, 2009, the Commissioner, by and through his staff,
18 commenced a regulatory examination of GC Loan. The regulatory examination disclosed that CT
19 Loans and Star were persons responsible for lending activities at GC Loan, at least during the period
20 that GC Loan was under Zamora. In particular, CT Loans and Star were issuing loan proceeds
21 checks to GC Loan borrowers from CT Loans' bank account. CT Loans and Star have never been
22 identified in any application and/or application amendment filed with the Commissioner by GC
23 Loan.

24 10. Star was also an undisclosed person in charge at Loxley & Star, Inc., a former
25 California Deferred Deposit Transaction Law licensee of the Department of Corporations
26 ("Department"), whose license was revoked for failing to disclose all required persons, among other
27 violations of the California Deferred Deposit Transaction Law. Star is also named in a September
28 28, 2009 Desist and Refrain Order issued by the Department against CT Loans Center, Inc. and Star,

1 among others, for engaging in unlicensed CFLL lending activities.

2 11. Accordingly, the initial application submitted by GC Loan under Zamora violated
3 Financial Code section 22101 and California Code of regulations, title 10, section 1422 in that it
4 failed to disclose Star and/or CT Loans Center, Inc. or, if the changes occurred after licensure, GC
5 Loan, under Zamora, violated California Financial Code section 22108 and California Code of
6 Regulations, title 10, sections 1409 and 1422, by failing to amend its initial application to disclose
7 the positions of Star and/or CT Loans Center, Inc. with GC Loan.

8 12. During the course of the regulatory examination commenced on or about September
9 25, 2009, GC Loan, under Zamora, was found to have violated numerous provisions of the CFLL.
10 The regulatory examination disclosed that GC Loan had, among other violations, (i) failed to
11 maintain proper books and records in violation of Financial Code section 22156; (ii) in five of
12 nineteen, or approximately twenty-six percent (26%) of the loans reviewed, charged borrowers an
13 interest rate in excess of that allowed under Financial Code section 22303 or 22304 in that the bona
14 fide principal amount was less than \$2,500.00; (iii) in five of nineteen, or approximately twenty-six
15 percent (26%) of the loans reviewed, charged excessive administrative fees to borrowers who took
16 out loans with bona fide principal amounts of \$2,500 or less in violation of Financial Code section
17 22305; (iv) in five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed,
18 compounded interest charges on loans under \$5,000.00 in violation of Financial Code section 22309;
19 (v) in all five (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior
20 to selling the repossessed vehicle in violation of California Code of Regulations, title 10, section
21 1538(b)(1); (vi) in all five (100%) loans reviewed involving repossessed vehicles, sold the
22 repossessed vehicle to an affiliate (Five Stars) in violation of California Code of Regulations, title
23 10, section 1540; and (vii) in four of five, or approximately eighty percent (80%) of the loans
24 reviewed involving repossessed vehicles, used an unlicensed company to repossess vehicles in
25 violation of Financial Code section 22329.

26 13. Based on the above, GC Loan and Zamora have (i) violated Financial Code section
27 22101 and California Code of regulations, title 10, section 1422 by failing to disclose CT Loans
28 Center, Inc and Star in its application and/or violated Financial Code section 22108 and California

1 Code of Regulations, title 10, section 1409 by failing to amend its application to disclose CT Loans
2 Center, Inc. and Star, (ii) violated California Code of Regulations, title 10, section 1409 by failing to
3 maintain a current list of officers and directors with the Commissioner, (iii) violated Financial Code
4 section 22303 or 22304 by charging excessive interest rates on loans, (iv) violated Financial Code
5 section 22305 by overcharging administrative fees, (v) violated Financial Code section 22309 by
6 compounding interest charges on loans under \$5,000.00; (vi) violated California Code of
7 Regulations, title 10, section 1538(b)(1) by failing to obtain three bids prior to selling repossessed
8 vehicles, (vii) violated California Code of Regulations, title 10, section 1540 by selling repossessed
9 vehicles to Five Stars, an affiliate, and (viii) violated Financial Code section 22329 by using an
10 unlicensed company to repossess vehicles;

11 14. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an
12 Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California
13 Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance
14 Lender and/or Broker), Accusation and accompanying documents against GC Loan, Zamora and
15 others. Zamora was personally served with those documents on October 18, 2011. The Department
16 has received no request for a hearing or any other response from Zamora and the time to request a
17 hearing has expired.

18 15 The above-described violations constitute grounds under Financial Code section
19 22169 to bar a person from any employment, management or control of any finance lender and/or
20 broker.

21 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Graciela
22 DeLourdes Ruiz Zamora is hereby barred from any position of employment, management or control
23 of any finance lender and/or broker. This order is effective as of the date hereof.

24 Dated: November 7, 2011
25 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

26 By _____
27 Alan S. Weinger
28 Deputy Commissioner
Enforcement Division

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
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6 Attorneys for Complainant
7

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

11	In the Matter of the Accusation of THE)	File Nos. 603-F867 & 603-H198
12	CALIFORNIA CORPORATIONS)	
13	COMMISSIONER,)	
14	Complainant,)	ORDER BARRING DANIEL C. STAR FROM
15	vs.)	ANY POSITION OF EMPLOYMENT,
16	GC LOAN CENTER, INC., GRACIELA)	MANAGEMENT OR CONTROL OF ANY
17	DELOURDES RUIZ ZAMORA, IGOR)	FINANCE LENDER AND/OR BROKER
18	SPANIC, BRYAN ALEXIS CRUZ, WALTER)	
19	ALEXANDER REYES, DAVID S. WATKINS)	
20	and DANIEL C. STAR,)	
	Respondent.)	

21 The California Corporations Commissioner finds that:

22 1. Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the
23 California Corporations Commissioner ("Commissioner") pursuant to the California Finance
24 Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC
25 Loan currently holds two licenses issued under the CFLL. The main licensed location is at 2829 N.
26 San Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license is located at
27 4501 W. Pico Boulevard, Los Angeles, California 90019.
28

1 2. Respondent Graciela DeLourdes Ruiz Zamora (“Zamora”), according to the
2 documents submitted to the Department of Corporations (“Department”), was the president,
3 secretary, treasurer, sole shareholder, sole director and person responsible for the lending activities
4 of GC Loan from the date of filing of the initial CFLL license application on or about September 7,
5 2007 until on or about November 18, 2009.

6 3. Respondent Daniel C. Star aka Danijel Kociper (“Star”) was at least during the period
7 of September 7, 2007 through on or about November 18, 2009, a person responsible for lending
8 activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc.
9 (“Five Stars”) and involved with the management and operations of CT Loans Center, Inc. (“CT
10 Loans”).

11 4. Financial Code section 22101 provides that an application for a CFLL license shall be
12 in the form and contain the information that the Commissioner may by rule require. Financial Code
13 section 22101 and California Code of Regulations, title 10, section 1422, requires corporate
14 applicants to disclose to the Commissioner in the application all officers, directors, any person
15 owning or controlling, directly or indirectly, 10% or more of the applicant, all person(s) who would
16 be in charge of the business, and all person(s) with direct responsibility for the proposed activities of
17 the applicant.

18 5. On September 7, 2007, GC Loan filed its application for a lender/broker license with
19 the Commissioner pursuant to California Financial Code section 22101 (File No. 603-F867
20 hereinafter the “application”).

21 6. The application identified Zamora as the president, vice-president, secretary,
22 treasurer, sole director, sole shareholder and person in charge of GC Loan. As required by
23 California Code of Regulations, title 10, section 1422, the application included a Statement of
24 Identity and Questionnaire (“SIQ”) for Zamora. Section 1422 requires CFLL applications to include
25 an SIQ for all officers, directors, any person owning or controlling, directly or indirectly, 10% or
26 more of the applicant, all person(s) who would be in charge of the business, and all person(s) with
27 direct responsibility for the proposed activities of the applicant. There were no other persons listed.
28 Zamora executed the application under penalty of perjury as president of GC Loan. The issuance of

1 the CFLL license to GC Loan on June 11, 2008 was based upon all the information submitted with
2 the application, including the Department of Justice background check on Zamora.

3 7. On January 23, 2009, GC Loan filed a short form application for one further
4 lender/broker license (File No. 603-H198 hereinafter "branch application") with the Commissioner
5 pursuant to the CFLL. The branch application was for a location situated at 4501 West Pico
6 Boulevard, Los Angeles, California 90019. The application identified Zamora as the owner-
7 president of GC Loan and Zamora verified the application as the owner-president of GC Loan. The
8 branch application disclosed an Igor Spanic ("Spanic") as the branch manager. An SIQ for Spanic
9 was filed with the branch application.

10 8. Pursuant to Financial Code section 22108 and California Code of Regulations, title
11 10, section 1422, all CFLL licensees are required to amend their application(s) if there is any change
12 in any of the persons required to be identified in the application(s). Additionally, California Code of
13 Regulations, title 10, section 1409 requires CFLL licensees to maintain a current list of officers,
14 directors and other persons required to be disclosed in the application with the Commissioner, and in
15 the event of any change, to file with the Commissioner the same information on such new persons as
16 is required for an original license within 30 days of the change.

17 9. On or about September 25, 2009, the Commissioner, by and through his staff,
18 commenced a regulatory examination of GC Loan. The regulatory examination disclosed that CT
19 Loans and Star were persons responsible for lending activities at GC Loan, at least during the period
20 that GC Loan was under Zamora. In particular, CT Loans and Star were issuing loan proceeds
21 checks to GC Loan borrowers from CT Loans' bank account. CT Loans and Star have never been
22 identified in any application and/or application amendment filed with the Commissioner by GC
23 Loan.

24 10. Star was also an undisclosed person in charge at Loxley & Star, Inc., a former
25 California Deferred Deposit Transaction Law licensee of the Department of Corporations
26 ("Department"), whose license was revoked for failing to disclose all required persons, among other
27 violations of the California Deferred Deposit Transaction Law. Star is also named in a September
28 28, 2009 Desist and Refrain Order issued by the Department against CT Loans Center, Inc. and Star,

1 among others, for engaging in unlicensed CFLL lending activities.

2 11. Accordingly, the initial application submitted by GC Loan violated Financial Code
3 section 22101 and California Code of regulations, title 10, section 1422 in that it failed to disclose
4 Star and/or CT Loans Center, Inc. or, if the changes occurred after licensure, GC Loan violated
5 California Financial Code section 22108 and California Code of Regulations, title 10, sections 1409
6 and 1422, by failing to amend its initial application to disclose the positions of Star and/or CT Loans
7 Center, Inc. with GC Loan.

8 12. During the course of the regulatory examination commenced on or about September
9 25, 2009, GC Loan was found to have violated numerous provisions of the CFLL. The regulatory
10 examination disclosed that GC Loan had, among other violations, (i) failed to maintain proper books
11 and records in violation of Financial Code section 22156; (ii) in five of nineteen, or approximately
12 twenty-six percent (26%) of the loans reviewed, charged borrowers an interest rate in excess of that
13 allowed under Financial Code section 22303 or 22304 in that the bona fide principal amount was
14 less than \$2,500.00; (iii) in five of nineteen, or approximately twenty-six percent (26%) of the loans
15 reviewed, charged excessive administrative fees to borrowers who took out loans with bona fide
16 principal amounts of \$2,500 or less in violation of Financial Code section 22305; (iv) in five of
17 nineteen, or approximately twenty-six percent (26%) of the loans reviewed, compounded interest
18 charges on loans under \$5,000.00 in violation of Financial Code section 22309; (v) in all five
19 (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior to selling the
20 repossessed vehicle in violation of California Code of Regulations, title 10, section 1538(b)(1); (vi)
21 in all five (100%) loans reviewed involving repossessed vehicles, sold the repossessed vehicle to an
22 affiliate (Five Stars) in violation of California Code of Regulations, title 10, section 1540; and (vii)
23 in four of five, or approximately eighty percent (80%) of the loans reviewed involving repossessed
24 vehicles, used an unlicensed company to repossess vehicles in violation of Financial Code section
25 22329.

26 13. Based on the above, GC Loan and Star have (i) violated Financial Code section
27 22101 and California Code of regulations, title 10, section 1422 by failing to disclose CT Loans
28 Center, Inc and Star in its application and/or violated Financial Code section 22108 and California

1 Code of Regulations, title 10, section 1409 by failing to amend its application to disclose CT Loans
2 Center, Inc. and Star, (ii) violated California Code of Regulations, title 10, section 1409 by failing to
3 maintain a current list of officers and directors with the Commissioner, (iii) violated Financial Code
4 section 22303 or 22304 by charging excessive interest rates on loans, (iv) violated Financial Code
5 section 22305 by overcharging administrative fees, (v) violated Financial Code section 22309 by
6 compounding interest charges on loans under \$5,000.00; (vi) violated California Code of
7 Regulations, title 10, section 1538(b)(1) by failing to obtain three bids prior to selling repossessed
8 vehicles, (vii) violated California Code of Regulations, title 10, section 1540 by selling repossessed
9 vehicles to Five Stars, an affiliate, and (viii) violated Financial Code section 22329 by using an
10 unlicensed company to repossess vehicles.

11 14. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an
12 Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California
13 Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance
14 Lender and/or Broker), Accusation and accompanying documents against GC Loan, Star and others.
15 Star was personally served with those documents on October 22, 2011. The Department has
16 received no request for a hearing or any other response from Star and the time to request a hearing
17 has expired.

18 15 The above-described violations constitute grounds under Financial Code section
19 22169 to bar a person from any employment, management or control of any finance lender and/or
20 broker.

21 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Daniel C. Star
22 is hereby barred from any position of employment, management or control of any finance lender
23 and/or broker. This order is effective as of the date hereof.

24 Dated: November 8, 2011
25 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

26 By _____
27 Alan S. Weinger
28 Deputy Commissioner
Enforcement Division

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
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6 Attorneys for Complainant
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11	In the Matter of the Accusation of THE)	File Nos. 603-F867 & 603-H198
12	CALIFORNIA CORPORATIONS)	
13	COMMISSIONER,)	
14	Complainant,)	ORDER REVOKING THE FINANCE
15	vs.)	LENDER AND/OR BROKER LICENSES OF
16	GC LOAN CENTER, INC., GRACIELA)	GC LOAN CENTER, INC.
17	DELOURDES RUIZ ZAMORA, IGOR)	
18	SPANIC, BRYAN ALEXIS CRUZ, WALTER)	
19	ALEXANDER REYES, DAVID S. WATKINS)	
20	and DANIEL C. STAR,)	
	Respondent.)	

21 The California Corporations Commissioner finds that:

22 1. Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the
23 California Corporations Commissioner ("Commissioner") pursuant to the California Finance
24 Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC
25 Loan currently holds two licenses issued under the CFLL. The main licensed location is at 2829 N.
26 San Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license is located at
27 4501 W. Pico Boulevard, Los Angeles, California 90019.
28

1 2. Respondent Graciela DeLourdes Ruiz Zamora (“Zamora”), according to the
2 documents submitted to the Department of Corporations (“Department”), was the president,
3 secretary, treasurer, sole shareholder, sole director and person responsible for the lending activities
4 of GC Loan from the date of filing of the initial CFLL license application on or about September 7,
5 2007 until on or about November 18, 2009.

6 3. Respondent Bryan Alexis Cruz (“Cruz”), according to the documents submitted to the
7 Department, was the president, secretary, sole shareholder, sole director and person responsible for
8 the lending activities of GC Loan from on or about November 18, 2009 until on or about May 25,
9 2010.

10 4. Respondent Walter Alexander Reyes aka Walter Reyes aka Walter Reyes-Illescas
11 (“Reyes”), according to the documents submitted to the Department, was the president, secretary,
12 treasurer, and sole shareholder of GC Loan from on or about May 25, 2010 until on or about October
13 29, 2010.

14 5. Respondent David S. Watkins (Watkins”), according to the documents submitted to
15 the Department, is, and was from on or about October 29, 2010, the president, secretary, treasurer,
16 and sole shareholder of GC Loan.

17 6. Respondent Daniel C. Star aka Danijel Kociper (“Star”) was at least during the period
18 of September 7, 2007 through on or about November 18, 2009, a person responsible for lending
19 activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc.
20 (“Five Stars”) and involved with the management and operations of CT Loans Center, Inc. (“CT
21 Loans”).

22 7. Financial Code section 22101 provides that an application for a CFLL license shall be
23 in the form and contain the information that the Commissioner may by rule require. Financial Code
24 section 22101 and California Code of Regulations, title 10, section 1422, requires corporate
25 applicants to disclose to the Commissioner in the application all officers, directors, any person
26 owning or controlling, directly or indirectly, 10% or more of the applicant, all person(s) who would
27 be in charge of the business, and all person(s) with direct responsibility for the proposed activities of
28 the applicant.

1 8. On September 7, 2007, GC Loan filed its application for a lender/broker license with
2 the Commissioner pursuant to California Financial Code section 22101 (File No. 603-F867
3 hereinafter the “application”).

4 9. The application identified Zamora as the president, vice-president, secretary,
5 treasurer, sole director, sole shareholder and person in charge of GC Loan. As required by
6 California Code of Regulations, title 10, section 1422, the application included a Statement of
7 Identity and Questionnaire (“SIQ”) for Zamora. Section 1422 requires CFLL applications to include
8 an SIQ for all officers, directors, any person owning or controlling, directly or indirectly, 10% or
9 more of the applicant, all person(s) who would be in charge of the business, and all person(s) with
10 direct responsibility for the proposed activities of the applicant. There were no other persons listed.
11 Zamora executed the application under penalty of perjury as president of GC Loan. The issuance of
12 the CFLL license to GC Loan on June 11, 2008 was based upon all the information submitted with
13 the application, including the Department of Justice background check on Zamora.

14 10. On January 23, 2009, GC Loan filed a short form application for one further
15 lender/broker license (File No. 603-H198 hereinafter "branch application") with the Commissioner
16 pursuant to the CFLL. The branch application was for a location situated at 4501 West Pico
17 Boulevard, Los Angeles, California 90019. The application identified Zamora as the owner-
18 president of GC Loan and Zamora verified the application as the owner-president of GC Loan. The
19 branch application disclosed an Igor Spanic (“Spanic”) as the branch manager. An SIQ for Spanic
20 was filed with the branch application.

21 11. Pursuant to Financial Code section 22108 and California Code of Regulations, title
22 10, section 1422, all CFLL licensees are required to amend their application(s) if there is any change
23 in any of the persons required to be identified in the application(s). Additionally, California Code of
24 Regulations, title 10, section 1409 requires CFLL licensees to maintain a current list of officers,
25 directors and other persons required to be disclosed in the application with the Commissioner, and in
26 the event of any change, to file with the Commissioner the same information on such new persons as
27 is required for an original license within 30 days of the change.

28 12. On September 25, 2009, the Commissioner, by and through his staff, commenced a

1 regulatory examination of GC Loan. The regulatory examination disclosed that CT Loans and Star
2 were persons responsible for lending activities at GC Loan, at least during the period that GC Loan
3 was under Zamora. In particular, CT Loans and Star were issuing loan proceeds checks to GC Loan
4 borrowers from CT Loans' bank account. CT Loans and Star have never been identified in any
5 application and/or application amendment filed with the Commissioner by GC Loan.

6 13. Star was also an undisclosed person in charge at Loxley & Star, Inc., a former
7 California Deferred Deposit Transaction Law licensee of the Department of Corporations
8 ("Department"), whose license was revoked for failing to disclose all required persons, among other
9 violations of the California Deferred Deposit Transaction Law. Star is also named in a September
10 28, 2009 Desist and Refrain Order issued by the Department against CT Loans Center, Inc. and Star,
11 among others, for engaging in unlicensed CFLL lending activities.

12 14. Accordingly, the initial application submitted by GC Loan under Zamora violated
13 Financial Code section 22101 and California Code of regulations, title 10, section 1422 in that it
14 failed to disclose Star and/or CT Loans Center, Inc. or, if the changes occurred after licensure, GC
15 Loan, under Zamora, violated California Financial Code section 22108 and California Code of
16 Regulations, title 10, sections 1409 and 1422, by failing to amend its initial application to disclose
17 the positions of Star and/or CT Loans Center, Inc. with GC Loan.

18 15. During the course of the regulatory examination commenced on September 25, 2009,
19 GC Loan was found to have violated numerous provisions of the CFLL. The regulatory examination
20 disclosed that GC Loan had, among other violations, (i) failed to maintain proper books and records
21 in violation of Financial Code section 22156; (ii) in five of nineteen, or approximately twenty-six
22 percent (26%) of the loans reviewed, charged borrowers an interest rate in excess of that allowed
23 under Financial Code section 22303 or 22304 in that the bona fide principal amount was less than
24 \$2,500.00; (iii) in five of nineteen, or approximately twenty-six percent (26%) of the loans
25 reviewed, charged excessive administrative fees to borrowers who took out loans with bona fide
26 principal amounts of \$2,500 or less in violation of Financial Code section 22305; (iv) in five of
27 nineteen, or approximately twenty-six percent (26%) of the loans reviewed, compounded interest
28 charges on loans under \$5,000.00 in violation of Financial Code section 22309; (v) in all five

1 (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior to selling the
2 repossessed vehicle in violation of California Code of Regulations, title 10, section 1538(b)(1); (vi)
3 in all five (100%) loans reviewed involving repossessed vehicles, sold the repossessed vehicle to an
4 affiliate (Five Stars) in violation of California Code of Regulations, title 10, section 1540; and (vii)
5 in four of five, or approximately eighty percent (80%) of the loans reviewed involving repossessed
6 vehicles, used an unlicensed company to repossess vehicles in violation of Financial Code section
7 22329.

8 16. On March 3, 2010, as a result of the findings of the regulatory examination, GC Loan
9 was required to conduct a self audit of all loans made during the period of June 11, 2008 through to
10 the present (March 2010) and make refunds to overcharged customers. As part of the self audit, GC
11 Loan was required to submit an electronic report to the Department in Microsoft Access or Excel,
12 which report was to include the borrower's name, address, account number, date of loan,
13 amount of refund, date of refund, check number or account credited for all affected customers. The
14 report, along with a response to other exceptions noted during the examination, was to be submitted
15 to the Department within 30 days. GC Loan did not submit any response to the Department.
16 Thereafter, GC Loan did submit a response, but not until on or about July 17, 2010 (105 days late)
17 and the CD-Rom submitted by GC Loan allegedly containing the results of the self audit was
18 inaccessible.

19 17. On November 16, 2010, GC Loan was notified in writing that the self audit report
20 was inaccessible and certain other responses were deficient. GC Loan was given until December 15,
21 2010 to respond. GC Loan did not respond. On or about January 24, 2011, a further demand was
22 sent to GC Loan to submit the self audit report and other responses no later than February 15, 2011.
23 The letter was returned to the Department unclaimed and there has been no response forthcoming in
24 violation of Financial Code sections 22159(b) and 22701.

25 18. Pursuant to Financial Code sections 22102 and 22152, any person engaged in the
26 business of finance lending and/or brokering must have a separate license for each location in which
27 it engages in such activity. The regulatory examination disclosed that in or about February 2011,
28 GC Loan was conducting lending activity from an unlicensed location at 4028 W. Ramsey Street,

1 Banning, California 92220 in violation of Financial Code sections 22102 and 22152. GC Loan was
2 aware that a separate CFLL license was required for each location, as GC Loan had already been
3 issued a branch license for the Pico location, and in obtaining that license and the original license,
4 specifically represented to the Commissioner that it had read and understood all the provisions of the
5 CFLL.

6 19. On or about June 14, 2011, the Department received information that GC Loan was
7 conducting car title loan business through the website www.cashpinkslip.com. A telephone call
8 placed on or about June 14, 2011 to the telephone number listed on the website revealed that GC
9 Loan was conducting lending activity from a further unlicensed location situated at 6422 Van Nuys
10 Boulevard, Van Nuys, California 91401 under the unlicensed name of Car Title Loans in further
11 violation of Financial Code sections 22102 and 22152.

12 20. GC Loan failed to pay \$6,945.69 of its regulatory examination bill despite several
13 demands in violation of Financial Code section 22707.

14 21. Pursuant to Financial Code section 22112, all CFLL licensees are required to
15 maintain a surety bond in the minimum amount of \$25,000.00. On March 18, 2011, the
16 Commissioner notified GC Loan that its surety bond was being canceled and that a replacement
17 bond must be obtained by April 20, 2011. The surety bond of GC Loan was canceled effective April
18 20, 2011, and no replacement has been obtained by GC Loan in violation of Financial Code section
19 22112.

20 22. Based on the above, GC Loan has (i) violated Financial Code section 22101 and
21 California Code of regulations, title 10, section 1422 by failing to disclose CT Loans Center, Inc and
22 Star in its application and/or violated Financial Code section 22108 and California Code of
23 Regulations, title 10, section 1409 by failing to amend its application to disclose CT Loans Center,
24 Inc. and Star, (ii) violated California Code of Regulations, title 10, section 1409 by failing to
25 maintain a current list of officers and directors with the Commissioner, (iii) failed to maintain proper
26 books and records in violation of Financial Code section 22156; (iv) violated Financial Code section
27 22303 or 22304 by charging excessive interest rates on loans, (v) violated Financial Code section
28 22305 by overcharging administrative fees, and (vi) violated Financial Code section 22309 by

1 compounding interest charges on loans under \$5,000.00; (vii) violated California Code of
2 Regulations, title 10, section 1538(b)(1) by failing to obtain three bids prior to selling repossessed
3 vehicles, (viii) violated California Code of Regulations, title 10, section 1540 by selling repossessed
4 vehicles to Five Stars, an affiliate, (ix) violated Financial Code section 22329 by using an unlicensed
5 company to repossess vehicles; (x) violated Financial Code sections 22159(b) and 22701 by failing
6 to file a response to the regulatory examination findings, including filing a self audit report, (xi)
7 violated Financial Code section 22707 by failing to pay the regulatory examination fees; (xii)
8 violated Financial Code section 22112 by failing to maintain a surety bond, and (xiii) violated
9 Financial Code sections 22102 and 22152 by conducting lending activities from an unlicensed
10 location.

11 23. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an
12 Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California
13 Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance
14 Lender and/or Broker), Accusation and accompanying documents against GC Loan, Zamora, Cruz,
15 Spanic, Reyes, Watkins, and Star. GC Loan was served with those documents on October 19, 2011
16 via certified, return-receipt mail at its licensed locations on file with the Department. The
17 Department has received no request for a hearing from GC Loan or any other response and the time
18 to request a hearing has expired.

19 24. The above-described violations constitute grounds under Financial Code section
20 22714 for the revocation of a license(s) issued under the CFLL.

21 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance
22 lender and/or broker licenses of GC Loan Center, Inc. are hereby revoked. This order is effective as
23 of the date hereof.

24 Dated: November 9, 2011
25 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

26 By _____
27 Alan S. Weinger
28 Deputy Commissioner
Enforcement Division

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
4 Department of Corporations
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Telephone: (213) 576-7604 Fax: (213) 576-7181
6 Attorneys for Complainant

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

10
11 In the Matter of the Accusation of THE) File Nos. 603-F867 & 603-H198
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)
13 Complainant,) ORDER BARRING WALTER ALEXANDER
REYES FROM ANY POSITION OF
14 vs.) EMPLOYMENT, MANAGEMENT OR
CONTROL OF ANY FINANCE LENDER
15) AND/OR BROKER
16 GC LOAN CENTER, INC., GRACIELA)
DELOURDES RUIZ ZAMORA, IGOR)
17 SPANIC, BRYAN ALEXIS CRUZ, WALTER)
ALEXANDER REYES, DAVID S. WATKINS)
18 and DANIEL C. STAR,)
19 Respondents.)

20
21 The California Corporations Commissioner finds that:

22 1. Respondent GC Loan Center, Inc. ("GC Loan") was a lender/broker licensed by the
23 California Corporations Commissioner ("Commissioner") pursuant to the California Finance
24 Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFL"). GC
25 Loan held two licenses issued under the CFL. The main licensed location was at 2829 N. San
26 Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license was located at
27 4501 W. Pico Boulevard, Los Angeles, California 90019.

28 2. Respondent Walter Alexander Reyes aka Walter Reyes aka Walter Reyes-Illescas

1 (“Reyes”), according to the documents submitted to the Department, was the president, secretary,
2 treasurer, and sole shareholder of GC Loan from May 25, 2010 until October 29, 2010.

3 3. On September 25, 2009, the Commissioner, by and through his staff, commenced a
4 regulatory examination of GC Loan. During the course of the regulatory examination commenced
5 on September 25, 2009, GC Loan was found to have violated numerous provisions of the CFLL.
6 The regulatory examination disclosed that GC Loan had, among other violations, (i) failed to
7 maintain proper books and records in violation of Financial Code section 22156; (ii) in five of
8 nineteen, or approximately twenty-six percent (26%) of the loans reviewed, charged borrowers an
9 interest rate in excess of that allowed under Financial Code section 22303 or 22304 in that the bona
10 fide principal amount was less than \$2,500.00; (iii) in five of nineteen, or approximately twenty-six
11 percent (26%) of the loans reviewed, charged excessive administrative fees to borrowers who took
12 out loans with bona fide principal amounts of \$2,500 or less in violation of Financial Code section
13 22305; (iv) in five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed,
14 compounded interest charges on loans under \$5,000.00 in violation of Financial Code section 22309;
15 (v) in all five (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior
16 to selling the repossessed vehicle in violation of California Code of Regulations, title 10, section
17 1538(b)(1); (vi) in all five (100%) loans reviewed involving repossessed vehicles, sold the
18 repossessed vehicle to an affiliate (Five Stars) in violation of California Code of Regulations, title
19 10, section 1540; and (vii) in four of five, or approximately eighty percent (80%) of the loans
20 reviewed involving repossessed vehicles, used an unlicensed company to repossess vehicles in
21 violation of Financial Code section 22329.

22 4. On March 3, 2010, as a result of the findings of the regulatory examination, GC Loan
23 was required to conduct a self audit of all loans made during the period of June 11, 2008 through to
24 March 2010 and make refunds to overcharged customers. As part of the self audit, GC Loan was
25 required to submit an electronic report to the Department in Microsoft Access or Excel, which report
26 was to include the borrower’s name, address, account number, date of loan,
27 amount of refund, date of refund, check number or account credited for all affected customers. The
28 report, along with a response to other exceptions noted during the examination, was to be submitted

1 to the Department within 30 days. GC Loan did not submit any response to the Department within
2 the 30 days. Thereafter, GC Loan, under Reyes did submit a response, but not until on or about July
3 17, 2010 (105 days late) and the CD-Rom submitted by GC Loan allegedly containing the results of
4 the self audit was inaccessible.

5 5. GC Loan, under Reyes, failed to pay \$6,945.69 of its regulatory examination bill
6 despite several demands in violation of Financial Code section 22707.

7 6. Based on the above, Reyes (i) violated Financial Code sections 22159(b) and 22701
8 by failing to file a response to the regulatory examination findings, including filing a self audit
9 report, and (ii) violated Financial Code section 22707 by failing to pay the regulatory examination
10 fees.

11 7. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an
12 Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California
13 Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance
14 Lender and/or Broker), Accusation and accompanying documents against GC Loan, Reyes and
15 others. Reyes was served with those documents on October 24, 2011. The Department has received
16 no request for a hearing or any other response from Reyes and the time to request a hearing has
17 expired.

18 8. The above-described violations constitute grounds under Financial Code section
19 22169 to bar a person from any employment, management or control of any finance lender and/or
20 broker.

21 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Walter
22 Alexander Reyes is hereby barred from any position of employment, management or control of any
23 finance lender and/or broker. This order is effective as of the date hereof.

24 Dated: November 21, 2011
25 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

26 By _____
27 Alan S. Weinger
28 Deputy Commissioner
Enforcement Division