

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 UCHE L. ENENWALI (State Bar No. 235832)
Senior Counsel
4 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 503-4203
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:) CDDTL LICENSE NO. 100-4091
12)
13 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) ACCUSATION
14)
Complainant,)
15 v.)
16)
PETONIA R. BRECKE DBA CALIFORNIA)
PAYDAY ADVANCE,)
17)
18 Respondent.)

19
20 Complainant, the Commissioner of Financial Protection and Innovation (Commissioner) is
21 informed and believes, and based upon such information and belief, alleges and charges Respondent
22 as follows:

23 **I.**

24 **Introduction**

25 1. The Commissioner has jurisdiction over the licensing and regulation of persons and
26 entities engaged in originating deferred deposit transactions under the California Deferred Deposit
27 Transaction Law (CDDTL) (Fin. Code 23000 et. seq).
28

1 8. CPA provided some of the preliminary information requested but failed to produce its
2 last four most recent financial statements. As a result, the Examiner was unable to determine during
3 the examination whether CPA was in compliance with the net worth requirements prescribed under
4 Financial Code section 23007 and Cal. Code Regs., tit. 10, § 2025 (b).

5 9. On November 5, 2020, the Examiner demanded that CPA provide its quarterly
6 balance sheets for the period June 30, 2019 through September 30, 2020 to demonstrate compliance
7 with the net worth requirements. CPA did not respond to the Examiner’s request. The Examiner sent
8 a follow-up email to CPA requesting that CPA provide no later than December 30, 2020, its
9 quarterly balance sheets for the period June 30, 2019 through September 30, 2020.

10 10. CPA failed to respond to the Examiner’s demands. On January 5, 2021, the Examiner
11 tried to contact CPA over the telephone on at least two occasions, but no one answered the
12 telephone. The Examiner left messages on CPA’s voicemail however CPA did not return the
13 Examiner’s telephone calls.

14 11. On March 8, 2021, the Examiner sent a demand letter by certified mail to CPA’s
15 business location and residence requesting that CPA provide a response within 10 days. To date, the
16 Examiner has not received a response to his letters, instead, all demand letters mailed to CPA were
17 returned as undeliverable.

18 **III.**

19 **Failure to File Annual Report**

20 12. In accordance with Financial Code section 23026, all CDDTL licensees must file an
21 annual report with the Commissioner by March 15 of each year (Annual Report).

22 13. The regulatory examination further showed that CPA failed to submit its Annual
23 Report that was due on March 15, 2021. The Examiner made several attempts to contact CPA by
24 telephone and email from the period December 2020 through March 2021, regarding its failure to
25 file its Annual Report but was unsuccessful in contacting CPA. To date, CPA has not filed its
26 Annual Report.

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IV.

Revocation Statute

14. 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.

15. By reason of the foregoing, CPA has violated provisions of the Financial Code by (i) failing to maintain books and records and/or file financial statements that demonstrate a net worth of at least twenty-five thousand dollars (\$25,000) in violation of Financial Code section 23007 and California Code of Regulations, title 10, section 2025(b); (ii) failing to file its annual report for the year ended 2020 in violation of Financial Code section 23026; and (iii) failing to produce books and records within 10 days after a written demand by the Commissioner in violation of Financial Code section 23048(b).

V.

Conclusion

CPA has failed to maintain books and records or file financial statements that indicate a net worth of at least twenty-five thousand dollars (\$25,000). Further, CPA failed to file its annual report for the year ended 2020 and to comply with the demand of the Commissioner.

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VI.

Prayer

WHEREFORE, Complainant, the Commissioner of Financial Protection and Innovation prays that the deferred deposit transaction license number 100-4091 of Petonia R. Brecke, DBA California Payday Advance, be revoked pursuant to Financial Code section 23052.

Dated: July 13, 2021
Los Angeles, California

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection
and Innovation

By _____
UCHE L. ENENWALI
Senior Counsel
Enforcement Division