

BEFORE THE
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
STATE OF CALIFORNIA

In the Matter of:

COMMISSIONER OF FINANCIAL PROTECTION
AND INNOVATION,

Complainant,

v.

LAWRENCE LASISI

Respondent.

Agency No. 1002992

OAH No. 2021060343

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Department of Financial Protection and Innovation as its Decision in the above-entitled matter.

This Decision shall become effective on January 28, 2022.

IT IS SO ORDERED THIS 29 day of December, 2021.

[REDACTED]

CLOTHILDE V. HEWLETT
Commissioner
Financial Protection and Innovation



**BEFORE THE
DEPARTMENT OF FINANCIAL PROTECTION
AND INNOVATION
STATE OF CALIFORNIA**

In the Matter of:

**THE COMMISSIONER OF FINANCIAL PROTECTION AND
INNOVATION, Complainant,**

v.

LAWRENCE LASISI, Respondent

Agency Case No. 1002992

OAH No. 2021060343

PROPOSED DECISION

Julie Cabos-Owen, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter by videoconference on August 31, 2021. Manuel P. Alvarez (Complainant), Commissioner (Commissioner) of Financial Protection and Innovation, was represented by Noah Bean, Counsel for the Department of Financial Protection and Innovation (Department). Lawrence Lasisi (Respondent) represented himself.

Testimony and documents were received in evidence. The record closed and the matter was submitted for decision on August 31, 2021.

FACTUAL FINDINGS

Jurisdictional Matters

1. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of deferred deposit transactions under the California Deferred Deposit Transaction Law (CDDTL), found at Financial Code section 23000 et seq.

2. Since 2005, Respondent has been licensed to "offer, originate, or make a deferred deposit transaction, arrange a deferred deposit transaction for a deferred deposit originator, act as an agent for a deferred deposit originator, or assist a deferred deposit originator in the origination of a deferred deposit transaction" under the CDDTL. (Fin. Code, § 23005, subd. (a).) He has been doing business as, "In and Out Payday Advance."

3. On April 15, 2021, the Commissioner issued an Order Summarily Revoking Deferred Deposit Transactional License Pursuant to Financial Code Section 23053 (Revocation Order) against Respondent for failing to file his 2020 annual report as required by Financial Code section 23026.

4. Chuma Megafu (Megafu), the manager of In and Out Payday Advance, submitted a written request for a hearing on Respondent's behalf. Respondent's request for hearing was received by the Department on May 17, 2021, and this matter was set for hearing on July 15, 2021.

//

5. Respondent subsequently waived his right to an expedited hearing date provided by Financial Code section 23053.¹

Reminders and Failure to File Annual Report

6. For 15 years, since his licensure in 2005, Respondent has filed annual reports as required by Financial Code section 23026.

7. On December 21, 2020, January 2, 2021, February 1, 2021, and March 1, 2021, the Commissioner notified Respondent of the March 15, 2021 deadline to file his 2020 annual report by sending courtesy reminders to Respondent's designated email address on file with the Department.

8. By March 15, 2021, Respondent had not filed his 2020 annual report with the Commissioner. As a result, the Commissioner issued a notice to Respondent on March 18, 2021, advising him to file his 2020 annual report by or before April 8, 2021, or his license would be summarily revoked pursuant to Financial Code section 23053.

9. By April 15, 2021, Respondent had not filed his 2020 annual report with the Commissioner.

10. As a result, on April 15, 2021, the Commissioner issued the Revocation Order.

¹ This matter was originally set for hearing on July 15, 2021. However, on that date, before any evidence was taken, the parties jointly sought a continuance to execute a settlement agreement. In seeking the joint continuance, Respondent waived his right to the expedited hearing date. (See Gov. Code, § 11415.40.)

11. On July 12, 2021, Respondent submitted his 2020 annual report, three days prior to the originally scheduled hearing to appeal the Revocation Order.

Respondent's Mitigation Evidence

12. Respondent did not testify at the hearing.

13A. Megafu, the manager of In and Out Payday Advance, testified on Respondent's behalf. He noted Respondent had been licensed with "no issues" since 2005, but 2020 was "extraordinary," and COVID-19 affected the industry. Megafu revealed that In and Out Payday Advance was closed "all of 2020." He explained that Respondent was unable to file the 2020 annual report because the business was shut down, and the "company [they] depend on for software [to prepare the report] did not have access to the data." Megafu eventually prepared the report "manually."

13B. Megafu also testified he had fallen ill and was twice hospitalized in 2020. However, he never relayed this information to the Department. He also did not explain why Respondent, as licensee, did not undertake the responsibility to ensure the filing of the annual report.

14. Megafu noted that "most check cashing companies have just gone out of business." He reported that In and Out Payday Advance remains closed for business and is not taking new customers. However, they wish to maintain licensure "in the hopes that things in the business environment will improve and [they] will reopen."

Additional Information Considered

15. Prior to March 8, 2021, the Department received notice of Respondent's surety bond cancelation, and Respondent has submitted no documentary proof of

bond reinstatement to the Department. Lack of proof of a current bond can result in summary revocation.

16. Respondent's July 14 annual assessment for 2021 is past due.

LEGAL CONCLUSIONS

1. The burden of proof in this licensing disciplinary matter is on the party filing the charges, here the Commissioner. (*Hughes v. Board of Architectural Examiners* (1998) 17 Cal.4th 763, 789, fn. 9.)

2. Evidence Code section 115 provides that "[e]xcept as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence." There was no evidence offered indicating Respondent's license is a professional license, and Complainant's counsel noted no testing is required to obtain Respondent's type of license. Consequently, it is presumed Respondent's license is an occupational license requiring the preponderance of the evidence standard. (See *Mann v. Department of Motor Vehicles* (1999) 76 Cal.App.4th 312, 318-319.) That standard requires evidence that has more convincing force than that opposed to it. (*People ex rel. Brown v. Tri-Union Seafoods, LLC* (2009) 171 Cal.App.4th 1549, 1567.)

3. Financial Code section 23026 requires each CDDTL licensee to file an annual report with the Commissioner, on or before March 15 of each year.

4. Financial Code 23053 authorizes the Commissioner to issue an order summarily suspending or revoking a CDDTL license if the licensee fails to file the annual report required by Financial Code section 23026 within 10 days after notice by the Commissioner that the report is due and has not been filed.

5. Respondent was reminded several times of the need to file his 2020 annual report by March 15, 2021. However, Respondent failed to file his annual report by that deadline. The Commissioner then sent Respondent the final notice required by Financial Code section 23053, and Respondent failed to file his 2020 annual report within 10 days of that final notice or by the April 8, 2021 deadline set forth in the final notice. In fact, Respondent did not file his 2020 annual report until July 12, 2021, almost four months after the March 15 deadline and three days prior to the originally scheduled hearing on this appeal. At the hearing, Respondent provided insufficient justification for his failure to timely file his 2020 annual report. Therefore, the Commissioner has good cause to summarily revoke Respondent's license.

ORDER

Respondent Lawrence Lasisi's appeal is denied. The Commissioner of Financial Protection and Innovation's summary revocation of Respondent's CDDTL license is affirmed.

DATE: 09/22/2021


JULIE CABOS-OWEN

Administrative Law Judge

Office of Administrative Hearings