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

12 In the Matter of: ) CDDTL LICENSE NO. 10DBO-103480  
13 THE COMMISSIONER OF FINANCIAL )  
14 PROTECTION AND INNOVATION, ) ORDER REVOKING CALIFORNIA  
15 Complainant, ) DEFERRED DEPOSIT TRANSACTION LAW  
16 v. ) LICENSE PURSUANT TO FINANCIAL  
17 JAMES FRANCIS MATTHEWS, an ) CODE SECTION 23052  
18 individual, )  
19 Respondent. )

20  
21 Complainant, the Commissioner of Financial Protection and Innovation (Commissioner)  
22 finds that:

23 1. James Francis Matthews (Matthews) is an individual and sole proprietor licensed as a  
24 California deferred deposit transaction originator pursuant to the California Deferred Deposit  
25 Transaction Law (CDDTL) (Financial Code section 23000 et seq.) with the license number  
26 10DBO-103480. Matthew’s principal place of business is located at 1650 Cienega Road, Hollister  
27 California 95023.

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1           2.       A deferred deposit transaction is a written transaction whereby one person gives  
2 funds to another person upon receipt of a personal check along with an agreement that the personal  
3 check shall not be deposited until a later date. These transactions are also referred to as “payday  
4 advances” or “payday loans.”

5           3.       In accordance with Financial Code section 23007, all licensees under the CDDTL are  
6 required to file financial statements that show a net worth of at least \$25,000.00. Further, pursuant to  
7 California Code of Regulations, title 10, section 2025(b), all licensees are required to maintain  
8 books, accounts and records demonstrating minimum net worth requirements in compliance with  
9 Financial Code section 23007.

10          4.       Financial Code section 23048(b) states that “The Commissioner may require the  
11 production for examination in this state of all books, records, and supporting data used by the  
12 licensee in the preparation of reports to the commissioner. The books, records, and supporting data  
13 shall be made available for examination by the commissioner in this state within 10 days after a  
14 written demand.”

15          5.       On January 24, 2022, the Commissioner commenced a regulatory examination of the  
16 books and records of Matthews (2022 Examination). Prior to starting the 2022 Examination, the  
17 Commissioner requested that Matthews provide books and records prepared in accordance with  
18 Generally Accepted Accounting Principles (GAAP) including, the most recent quarterly financial  
19 statements as of December 31, 2020, March 31, 2021, June 3, 2021, and September 9, 2021.

20          6.       In response to the Commissioner’s request for books and records, Matthews provided  
21 partial documents but failed to provide quarterly financial statements prepared in accordance with  
22 GAAP for the time frame the Commissioner requested.

23          7.       On January 24, 2022, the Commissioner further demanded by email that Matthews  
24 produce the last four quarterly Balance Sheets and Income Statements as of December 31, 2020,  
25 March 31, 2021, June 30, 2021, and September 9, 2021, prepared in accordance with GAAP.

26          8.       In his response to the Commissioner’s demand of January 24, 2022, Matthews  
27 inquired about the provisions of the law that support the Commissioner’s request for financial  
28 statements. The Commissioner cited California Code of Regulations, title 10, sections 2025(b) and

1 2026 which require a licensee at a minimum to maintain quarterly unaudited balance sheets and  
2 books, accounts and records in accordance with Generally Accepted Accounting Principles (GAAP)  
3 and good business practices. The Commissioner also advised Matthews to seek assistance from an  
4 accountant to prepare his financial statements.

5 9. On January 25, 2022, Matthews sent an email to the Commissioner, along with partial  
6 financial records, asserting that he already submitted all responsive documents to the Commissioner.  
7 A review of the financial documents Matthews provided showed that the documents were not  
8 prepared in accordance with GAAP. The Commissioner made numerous attempts to contact  
9 Matthews by telephone to discuss the financial records he produced but Matthews did not respond to  
10 the calls.

11 10. Based on the information Matthews provided, the Commissioner determined that the  
12 financial statements received by the Department were not prepared in accordance with GAAP and do  
13 not show a minimum net worth requirement of \$25,000.00 at all times. To date, the Commissioner  
14 has not received the documents demanded from Matthews.

15 11. Further, in accordance with Financial Code section 23016(b), Matthews is required to  
16 pay an annual assessment for the fiscal year 2022-2023 on or before June 20, 2022.

17 12. On or around May 20, 2022, and pursuant to Financial Code section 23016(b), the  
18 Commissioner emailed an invoice number DD0096 for the 2022-2023 fiscal year assessment, along  
19 with an Assessment Notice to Matthews informing him that his annual assessment was due June 20,  
20 2022. The Assessment Notice further warned that if payment was not made on or before June 30,  
21 2022, Matthews' license may be summarily suspended or revoked pursuant to Financial Code  
22 section 23016(c).

23 13. The Commissioner did not receive a response from Matthews. The Commissioner  
24 sent additional notifications to Matthews via email on June 23, June 29, and July 6, 2022, requesting  
25 that he pay his CDDTL annual assessment for 2022-2023 due June 20, 2022, but to date, Matthews  
26 has not paid his annual assessment.

27 14. Pursuant to Financial Code section 23013(a), Matthews is required to maintain a  
28 surety bond in the amount of \$25,000.00 at all times.

1           15.     On or about December 12, 2022, the Commissioner received notice of a pending  
2 cancellation of Matthews’ surety bond, number 6004401, with an effective cancellation date of  
3 January 5, 2023 (Cancellation Notice).

4           16.     On December 16, 2022, the Commissioner sent a letter dated December 16, 2022,  
5 to Matthews via email and U.S. certified mail, informing Matthews of the Cancellation Notice and  
6 demanding that he file a replacement bond or notice of reinstatement with the Commissioner  
7 immediately but not later than the date of the cancellation. To date, the Commissioner has not  
8 received a new replacement bond or notice of reinstatement from Matthews.

9           17.     Based on the above findings, on March 17, 2023, the Commissioner issued a Notice  
10 of Intention to Issue Order Revoking California Deferred Deposit Transaction License and  
11 Accusation, with accompanying documents (Notice of Intention).

12           18.     Between March 18, 2024, and March 25, 2023, the Commissioner’s process servers  
13 attempted on several occasions to serve the Notice of Intention on Mathews by personal delivery at  
14 Mathew’s last known business address filed with the Commissioner at 1650 Cienega Road, Hollister  
15 California 95023 but were unsuccessful. On March 25, 2023, the Commissioner’s process servers  
16 arrived at the licensee’s office address and spoke to a tenant who stated that the licensee “is  
17 unknown.”

18           19.     On April 4, 2023, the Commissioner’s staff served the Notice of Intention on  
19 Mathews by certified mail sent to Mathew’s last known business address referenced above in  
20 paragraph 18.

21           20.     On or about April 10, 2023, the Commissioner received the caption page of the  
22 Notice of Intention with the following comments scribbled on it: “TO WHOM IT MAY CONCERN,  
23 I HAVE NEVER CONDUCTED BUSINESS. I HAVE COMPLIED PREVIOUSLY. NOT IN THE  
24 BUSINESS AND VOLUNTARILY GIVE UP MY LICENSE....” The document also bore a  
25 signature for Mathews.

26           21.     The Commissioner did not receive a request for hearing on the Notice of Intention  
27 from Mathews and the time to request a hearing has expired.

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22. NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the California deferred deposit transaction originator license number 10DBO-103480 issued to James Francis Matthews on January 8, 2020, is hereby revoked. This order is effective as of the date hereof.

Dated: July 5, 2023  
Los Angeles, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division