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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of THE COMMISSIONER OF) LICENSE NO. 100-4387
13 BUSINESS OVERSIGHT,)
14 Complainant,) DESIST AND REFRAIN ORDER PURSUANT
TO CALIFORNIA FINANCIAL CODE
15 v.) SECTION 23050;
16) ORDER VOIDING DEFERRED DEPOSIT
17 QUICK CASHING, INC., DBA, FAMILY) TRANSACTIONS PURSUANT TO
FINANCIAL CENTER,) CALIFORNIA FINANCIAL CODE SECTION
18 Respondent.) 23060; AND
19) CITATIONS PURSUANT TO CALIFORNIA
20) FINANCIAL CODE SECTION 23058
21)

22 Complainant, the Commissioner of Business Oversight (“Commissioner”), is informed and
23 believes, and based upon such information and belief, finds as follows:

24 I.

25 **FACTUAL BACKGROUND**

26 1. Quick Cashing, Inc., dba, Family Financial Center (“Quick Cashing”), is a company
27 licensed by the Commissioner with its principal place of business located at 1266 S. Lake Street, Los
28 Angeles, CA 90006.

1 2. On February 8, 2012, the Commissioner issued Quick Cashing a deferred deposit
2 transaction originator license (License No. 100-4387), pursuant to the California Deferred Deposit
3 Transaction Law (“CDDTL”) set forth in Financial Code sections 23000 et seq. (All future references
4 to section are to the Financial Code unless indicated otherwise).

5 3. “Deferred deposit transaction” means a transaction whereby a person defers
6 depositing a customer’s personal check until a specific date, pursuant to a written agreement for a fee
7 or other charge. “Personal check,” as referenced in Financial Code section 23001, subdivision (a),
8 includes the electronic equivalent of a personal check, such as an Automated Clearing House
9 (“ACH”) or debit card transaction.

10 4. When Quick Cashing filed an application with the Commissioner for a license to make
11 deferred deposit transactions, Quick Cashing included a declaration, designated as “Exhibit K” to the
12 application, signed under penalty of perjury, stating that:

13 **I (we) have obtained and read copies of the California Deferred**
14 **Deposit Transaction Law (Division 10 of the California Financial**
15 **Code) and the Rules (Chapter 3, Title 10, California Code of**
16 **Regulations) and am familiar with their content: and,**

17 **I (we) agree to comply with all the provision[s] of the California**
18 **Deferred Deposit Transaction Law, including any rules or orders**
19 **of the Commissioner of Corporations.**

20 5. On or about February 13, 2013, the Department of Business Oversight (“Department”)
21 notified Quick Cashing of an upcoming regulatory examination and directed Quick Cashing to
22 provide its last four (4) quarterly balance sheets and income statements prepared in accordance with
23 the Generally Accepted Accounting Principles.

24 6. The Department commenced its regulatory examination of Quick Cashing, in June
25 2013. The examination revealed numerous violations of the CDDTL, as described below.

26 7. Quick Cashing failed to prepare or to provide the Commissioner with its quarterly
27 balance sheets and income statements, in violation of California Code of Regulations, title 10, section
28 2025(b) (“10 C.C.R.”).

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1 8. Quick Cashing failed to maintain records to show that it met the net worth requirement
2 of twenty-five thousand dollars (\$25,000.00), in violation of Financial Code sections 23007 and
3 23024.

4 9. Quick Cashing failed to maintain separate books and records for the deferred deposit
5 transactions for Non-Sufficient Funds, in violation of Financial Code section 23024 and 10 C.C.R.
6 section 2027.

7 10. Quick Cashing's records show that the face amount of eight (8) deferred deposit
8 transactions exceeds three hundred dollars (\$300.00), in violation of Financial Code section 23035(a).

9 11. Quick Cashing used collection letters to threaten customers with criminal prosecution,
10 in violation of Financial Code section 23035(b).

11 12. Quick Cashing used collection letters to threaten customers with filing of small claim
12 actions and liability of treble damages, in violation of Financial Code section 23036(d).

13 13. Quick Cashing did not provide a written notice to customers that their checks are
14 being negotiated as part of Financial Code section 23035, in violation of Financial Code section
15 23035(c)(6).

16 14. Quick Cashing failed to clearly and conspicuously post a notice in the unobstructed
17 view of the public at its business location disclosing that it cannot use criminal process against a
18 customer to collect any deferred deposit transaction, in violation of Financial Code section
19 23035(d)(1).

20 15. Quick Cashing failed to clearly and conspicuously post a notice in the unobstructed
21 view of the public at its business location disclosing the schedule of all charges and fees to be
22 charged on those deferred deposit transactions with an example of all charges and fees that would be
23 charged on at least a one-hundred-dollar (\$100.00) and a two-hundred-dollar (\$200.00) deferred
24 deposit transaction, payable in 14 days and 30 days, respectively, giving the corresponding annual
25 percentage rate, in violation of Financial Code section 23035(d)(2).

26 16. Quick Cashing failed to identify customers' addresses in written agreements, in
27 violation of Financial Code section 23035(e)(4).

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1 Pursuant to Financial Code section 23050, Quick Cashing, Inc., dba, Family Financial Center,
2 is hereby ordered to desist and refrain from violating Financial Code sections 23007, 23024, 23035,
3 23036, and 23013, and 10 C.C.R. sections 2025 and 2027.

4 This Order is necessary for the protection of consumers and consistent with the purposes,
5 policies and provisions of the CDDTL. This Order shall remain in full force and effect until further
6 order of the Commissioner.

7 **III.**

8 **ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

9 Financial Code section 23060 provides:

10 (a) If any amount other than, or in excess of, the charges or fees
11 permitted by this division is willfully charged, contracted for, or
12 received, a deferred deposit transaction contract shall be void, and no
13 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.

14 (b) If any provision of this division is willfully violated in the making
or collection of a deferred deposit transaction, the deferred deposit
15 transaction contract shall be void, and no person shall have any right to
16 collect or receive any amount provided in the deferred deposit
transaction, any charges, or fees in connection with the transaction.

17 Quick Cashing, Inc., dba, Family Financial Center, willfully violated Financial Code section
18 23036(e) by charging excessive Non-Sufficient Funds fees of twenty dollars (\$20.00) on thirty-seven
19 (37) deferred depositions transactions, described above. The principal amount of these transactions and
20 fees charged to customers totaled nine thousand, nine hundred, fifteen dollars, and six cents
21 (\$9,915.06).

22 Pursuant to Financial Code section 23060, the above described transactions are declared void.
23 Further, Quick Cashing, Inc., dba, Family Financial Center, had no right to collect or receive any
24 amount provided in the deferred deposit transactions or any charges or fees in connection with these
25 transactions and are hereby ordered to immediately return any amount and all charges and fees, that
26 the Quick Cashing, Inc., dba, Family Financial Center, directly or indirectly received for these
27 transactions.

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IV.
CITATIONS

Financial Code section 23058 gives the Commissioner the authority to issue citations for the foregoing CDDTL violations. Section 23058 provides:

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

For the CDDTL violations of Quick Cashing, Inc., dba, Family Financial Center, the Commissioner herein issues twelve separate Citations (1 - 12), as part of this single document:

CITATION 1 - Quick Cashing failed to prepare or to provide the Commissioner with its quarterly balance sheets and income statements, in violation of 10 C.C.R. section 2025(b).

CITATION 2 - Quick Cashing failed to maintain records to show that it met the net worth requirement of twenty-five thousand dollars (\$25,000.00), in violation of Financial Code sections 23007 and 23024.

1 **CITATION 3** - Quick Cashing failed to maintain separate books and records for the deferred deposit
2 transactions for Non-Sufficient Funds, in violation of Financial Code section 23024 and 10 C.C.R.
3 section 2027.

4 **CITATION 4** - Quick Cashing did not maintain nor provide the Department with a copy of the
5 checks that exceed three hundred dollars (\$300.00), in violation of Financial Code section 23035(a),
6 the face amount of eight (8) deferred deposit transactions exceeds three hundred dollars (\$300.00).

7 **CITATION 5** - Quick Cashing used collection letters to threaten customers with criminal
8 prosecution, in violation of Financial Code section 23035(b).

9 **CITATION 6** - Quick Cashing used collection letters to threaten customers with filing of small claim
10 actions and liability of treble damages, in violation of Financial Code section 23036(d).

11 **CITATION 7** - Quick Cashing did not provide a written notice to customers that their checks are
12 being negotiated as part of Financial Code section 23035, in violation of Financial Code section
13 23035(c)(6).

14 **CITATION 8** - Quick Cashing failed to clearly and conspicuously post a notice in the unobstructed
15 view of the public at its business location disclosing that it cannot use criminal process against a
16 customer to collect any deferred deposit transaction, in violation of Financial Code section
17 23035(d)(1).

18 **CITATION 9** - Quick Cashing failed to clearly and conspicuously post a notice in the unobstructed
19 view of the public at its business location disclosing the schedule of all charges and fees to be
20 charged on those deferred deposit transactions with an example of all charges and fees that would be
21 charged on at least a one-hundred-dollar (\$100.00) and a two-hundred-dollar (\$200.00) deferred
22 deposit transaction, payable in 14 days and 30 days, respectively, giving the corresponding annual
23 percentage rate, in violation of Financial Code section 23035(d)(2).

24 **CITATION 10** - Quick Cashing failed to identify customers' addresses in written agreements, in
25 violation of Financial Code section 23035(e)(4).

26 **CITATION 11** - Quick Cashing charged excessive Non-Sufficient Funds fees of twenty dollars
27 (\$20.00) on approximately thirty-seven (37) deferred deposition transactions, in violation of Financial
28 Code section 23036(e). The principal amount of these transactions and fees charged to customers

1 totaled nine thousand, nine hundred, fifteen dollars, and six cents (\$9,915.06).

2 **CITATION 12** - Quick Cashing’s surety bond expired on February 20, 2014. Quick Cashing has not
3 reinstated or replaced its surety bond, in violation of Financial Code section 23013.

4 Pursuant to Financial Code section 23058, Quick Cashing, Inc., dba, Family Financial Center,
5 is hereby ordered to pay to the Commissioner an administrative penalty of two thousand, five
6 hundred dollars (\$2,500.00) for each of the twelve separate Citations (1-12) for the total amount of
7 thirty thousand dollars (\$30,000.00) within thirty (30) days from the date of this citation.

8 Dated: August 22, 2014
9 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

10 By: _____
11 MARY ANN SMITH
12 Deputy Commissioner
13 Enforcement Division
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