

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SOPHIA C. KIM (CA BAR NO. 265649)
Corporations Counsel
4 DEPARTMENT OF BUSINESS OVERSIGHT
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7594
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11

12	In the Matter of:)	CDDTL License No.: 100-4613
)	
13	THE COMMISSIONER OF BUSINESS)	DESIST AND REFRAIN ORDER PURSUANT
14	OVERSIGHT OF THE STATE OF)	TO CALIFORNIA FINANCIAL CODE
15	CALIFORNIA,)	SECTION 23050; and
)	
16	Complainant,)	CITATION PURSUANT TO CALIFORNIA
)	FINANCIAL CODE SECTION 23058
17	v.)	
)	
18	CASH-PRO MANAGEMENT, INC. d.b.a.)	
19	HOLLYWOOD CHECK CASHING,)	
)	
20	Respondent.)	

21 The Complainant is informed and believes and based on such information and belief, alleges
22 and charges the Respondent as follows:

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I.

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FACTUAL BACKGROUND

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1. Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing (“Cash-Pro”) is a
deferred deposit transaction originator licensed by Complainant, the Commissioner of Business
Oversight (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law
 (“CDDTL”) (Fin. Code § 23000 et seq.). On or around July 14, 2014, Cash-Pro was issued license

1 number 100-4613 to conduct business as a deferred deposit transaction originator at 7040 West
2 Sunset Blvd. Suite F, Los Angeles, California 90028.

3 2. At all relevant times herein, Guy Shayler is the President, Chief Executive Officer,
4 and owner of Cash-Pro.

5 3. On or around September 11, 2014, the Commissioner commenced a regulatory
6 examination of Cash-Pro pursuant to Financial Code section 23046 at Cash-Pro's two licensed
7 locations: (1) Westwood Check Cashing Etc., located at 2180 Westwood Boulevard 1-H, Los
8 Angeles, California 90025 (license no. 100-3394), and (2) Hollywood Check Cashing, located at
9 7040 West Sunset Blvd. Suite F, Los Angeles, California 90028 (license no. 100-4613).

10 4. Pursuant to Financial Code section 23001, subdivision (a), "deferred deposit
11 transaction" (commonly referred to as "payday loans" or "payday advances") means a transaction
12 whereby a person defers depositing a customer's personal check until a specific date, pursuant to a
13 written agreement for a fee or other charge.

14 5. From at least May 6, 2014 through at least September 25, 2014, Cash-Pro engaged in
15 the business of deferred deposit transactions.

16 6. During the regulatory examination of Cash-Pro's Hollywood Check Cashing location
17 it was disclosed that the computer system had crashed and all deferred deposit transaction records
18 stored therein, such as evidence of checks, customers' payment histories, and transaction logs, were
19 lost. Moreover, the lost data could not be retrieved because Cash-Pro did not have a back-up.

20 7. California Code of Regulations, title 10, section 2025, subdivision (c) requires each
21 licensed business location for each deferred deposit transaction to maintain at least the following: the
22 deferred deposit transaction agreement, evidence of the check, written disclosure(s) used to provide
23 notice in compliance with subdivision (c) of Section 23035 of the Financial Code, record of any and
24 all extensions of time or payment plans for repayment of an existing deferred deposit transaction,
25 record of time periods for each transaction, record of transaction fees and charges, and record of
26 transaction payments.

27 8. For at least 11 deferred deposit transactions made during the period of on or around
28 May 6, 2014 through July 21, 2014, Cash-Pro failed to maintain the evidence of the checks,

1 customers' payment histories, and transaction logs, in violation of California Code of Regulations,
2 title 10, section 2025, subdivision (c).

3 9. Furthermore, failure to maintain evidence of checks, customers' payment histories,
4 and transaction logs prevented the Commissioner from determining whether Cash-Pro was in
5 compliance with the provisions of the CDDTL and with the rules and regulations promulgated by the
6 Commissioner, in violation of Financial Code section 23024.

7 **II.**

8 **DESIST AND REFRAIN ORDER**

9 The Commissioner is authorized to pursue administrative actions and remedies against
10 persons who engage in violations of the CDDTL.

11 Financial Code section 23050 provides:

12 Whenever, in the opinion of the commissioner, any person is engaged in
13 the business of deferred deposit transactions, as defined in this division,
14 without a license from the commissioner, or any licensee is violating any
15 provision of this division, the commissioner may order that person or
16 licensee to desist and to refrain from engaging in the business or further
17 violating this division. If within 30 days, after the order is served, a written
18 request for a hearing is filed and no hearing is held within 30 days
19 thereafter, the order is rescinded.

20 Financial Code section 23024 provides in pertinent part:

21 Each licensee shall keep and use books, accounts, and records that will
22 enable the commissioner to determine if the licensee is complying with the
23 provisions of this division and with the rules and regulations promulgated
24 by the commissioner. Each licensee shall maintain any other records as
25 required by the commissioner. The commissioner or a designee of the
26 commissioner may examine those records at any reasonable time. Upon
27 the request of the commissioner, a licensee shall file an authorization for
28 disclosure of financial records of the licensed businesses pursuant to
Section 7473 of the Government Code. All records shall be kept for two
years following the last entry on a deferred deposit transaction and shall
enable an examiner to review the recordkeeping and reconcile each
consumer deferred deposit transaction with documentation maintained in
the consumer's deferred deposit transaction file records.

California Code of Regulations, title 10, section 2025 states in pertinent part:

(c)(1) Except as provided in subsection (e), records to be maintained at

1 **III.**

2 **CITATION**

3 For the CDDTL violations of Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing,
4 the Commissioner herein issues Citation A as part of this single document:

5 **CITATION A** – For at least 11 deferred deposit transactions made during the period of on or around
6 May 6, 2014 through July 21, 2014, Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing
7 failed to maintain records that it was required to maintain at each licensed business location for each
8 deferred deposit transaction including, but not limited to evidence of the check, record of any and all
9 extensions of time or payment plans for repayment of an existing deferred deposit transaction, record
10 of time periods for each transaction, record of transaction fees and charges, and record of transaction
11 payments, in violation of California Code of Regulations, title 10, section 2025, subdivision (c).

12
13 Financial Code section 23058 gives the Commissioner the authority to issue citations for the
14 foregoing CDDTL violations. Section 23058 states:

15 (a) If, upon inspection, examination or investigation, based upon a
16 complaint or otherwise, the department has cause to believe that a person
17 is engaged in the business of deferred deposit transactions without a
18 license, or a licensee or person is violating any provision of this division
19 or any rule or order thereunder, the department may issue a citation to that
20 person in writing, describing with particularity the basis of the citation.
21 Each citation may contain an order to desist and refrain and an assessment
22 of an administrative penalty not to exceed two thousand five hundred
23 dollars (\$2,500). All penalties collected under this section shall be
24 deposited in the State Corporations Fund.

25 (b) The sanctions authorized under this section shall be separate from, and
26 in addition to, all other administrative, civil, or criminal remedies.

27 (c) If within 30 days from the receipt of the citation of the person cited
28 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.

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(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.

Pursuant to Financial Code section 23058, Cash-Pro Management, Inc. d.b.a. Hollywood Check Cashing is hereby ordered to pay the Commissioner an administrative penalty of two thousand five hundred dollars (\$2,500.00) for Citation A within 30 days from the date of this citation.

Dated: June 5, 2015
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner