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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**ERRATUM**

**RE:** Citations; Desist and Refrain Order; Order Voiding Transactions and Disgorgement of All Charges and Excess Fees Issued to:

A Plus Financial, LLC  
3560 S. La Cienega, Suite A  
Los Angeles, CA 90016

**CORRECTIONS:**

Page 2, line 13 should read “262 loans”.

Page 2, line 14 should read “collection of \$10,534.52”.

Page 2, line 15 should read “checks that have been issued” instead of “excess fees that have been charged”.

Page 5, line 5 should read “A Plus Financial, LLC”.

Page 5, line 15 should read “A Plus Financial, LLC”.

Page 6, line 2 should read “262 loans”.

Dated: October 7, 2009  
Sacramento, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By: \_\_\_\_\_

ALAN S. WEINGER  
Deputy Commissioner  
Enforcement Division

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 BRENT S.B. LINDGREN (CA Bar No. 170360)  
4 Senior Corporations Counsel  
Department of Corporations  
5 1515 K Street, Ste. 200  
6 Sacramento, California 95814  
Telephone: (916) 322-8778  
7 Facsimile: (916) 445-6985  
8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12  
13 In the Matter of the Accusation of THE )  
CALIFORNIA CORPORATIONS )  
14 COMMISSIONER, )

File No.: 100-3047

15 Complainant,

) CITATIONS;  
) DESIST AND REFRAIN ORDER;  
) ORDER VOIDING TRANSACTIONS AND  
) DISGORGEMENT OF ALL CHARGES AND  
) EXCESS FEES

16 vs.

17 A PLUS FINANCIAL, LLC,

18 Respondent.  
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23 The Complainant is informed and believes, and based upon such information and belief, finds  
24 and charges Respondent as follows:  
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**I**

**INTRODUCTION**

On January 13, 2006, the Commissioner of the Department of Corporations (“Commissioner”) issued Respondent, A Plus Financial, LLC, a deferred deposit transaction originator license (File No. 100-3047) pursuant to the California Deferred Deposit Transaction Law (“CDDTL”), which is set forth in California Financial Code sections 23000 *et seq.* (All future references are to Financial Code sections unless indicated otherwise.)

The owners of A Plus Financial, LLC, are Leonid and Vera Kleynberg. Respondent operates from 3560 S. La Cienega, Suite A, Los Angeles, CA 90016. By reason of Respondent A Plus Financial, LLC’s violations of the CDDTL, the Commissioner hereby issues citations, an order to desist and refrain from any such violations pursuant to Financial Code section 23058, and also orders the voiding of transactions totaling \$103,639.35 (148 loans made prior to the issuance of a license totaling \$33,582.21 plus 164 loans totaling \$70,057.14 which resulted in excess fees and charges totaling \$38,091.83), refunds of such fees and charges and prohibiting the collection of \$6,292.69 in excess fees that have been charged but remain uncollected.

**II**

**FACTUAL BACKGROUND**

1. The Department is responsible for enforcing all provisions of the CDDTL. A Plus Financial, LLC has engaged in violations of the CDDTL as set forth below.

2. Since at least 2005, A Plus Financial, LLC has engaged in the business of deferred deposit transactions by offering, originating and making deferred deposit transactions as described below.

3. A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date. These loans are sometimes referred to as “payday advances” or “payday loans.”

1           4. In October 2005, Respondent filed with the Department an application for a license to  
2 make deferred deposit transactions and included a Declaration, designated as “Exhibit K” to the  
3 application, and signed under penalty of perjury by its member, Leonid Kleynberg, stating:

4           **I (we) have obtained and read copies of the California Deferred Deposit Transaction**  
5 **Law (Division 10 of the California Financial Code) and the Rules (Chapter 3, Title**  
6 **10, California Code of Regulations) and am familiar with their content; and,**

7           **I (we) agree to comply with all of the provision of the California Deferred Deposit**  
8 **Transaction Law, including any rules or orders of the Commissioner of**  
9 **Corporations.**

10 Respondent’s Declaration to the application also states that “by signing this declaration...., the  
11 applicant hereby agrees (or attests) or declares their understanding of the following items listed  
12 below:

- 13           1. That the applicant will submit to periodic examinations by the Commissioner  
14 of Corporations as required by the California Deferred Deposit Transaction  
15 Law.
- 16           2. That the applicant will keep and maintain all records for 2 years following the  
17 last entry on a deferred deposit transaction and will enable an examiner to  
18 review the record keeping and reconcile each consumer deferred deposit  
19 transaction with documentation maintained in the consumer’s file records.
- 20           3. That the applicant understands the examination process involving the  
21 reconciliation of records will be facilitated if the applicant maintains, at a  
22 minimum, a ledger or listing of the following current and updated information  
23 for each deferred deposit transaction (as specified in Financial Code Section  
24 23035): customer’s name and address, account number, check number,  
25 amount provided, fee, amount of check, corresponding annual percentage rate  
26 (e.g. 14-day or 30-day), and the deferred due date.
- 27           4. That the applicant will maintain a file of all advertising for a period of 90 days  
28 from the date of its use, which will be available to the Commissioner of  
Corporations upon request.
5. That the applicant will file with the Commissioner of Corporations an  
Amendment to this application prior to any material change in the information  
contained in the application for licensure, including, without limitation, the  
plan of operation.
6. That the applicant will file with the Commissioner of Corporations any report  
required by the Commissioner.



1 in full” when the customers actually only paid the finance charges and had not repaid the loan  
2 amount. At the time of the November 2008 examination (when this practice was discovered), the  
3 store manager was advised that this practice was in violation of CDDTL section 23037(f) which  
4 prohibits making “any statement which is likely to mislead” including false entries and recording  
5 loans which had the due dates extended as “paid in full.” A Plus Financial, Inc. would generate a  
6 new loan agreement, making it appear that the customer had obtained a new loan, when in fact the  
7 due date of the prior loan was merely extended for a fee.

8 On November 21, 2008, the regulatory examination was expanded due to the need to  
9 determine the number of extension fees which were charged and collected. The store manager  
10 explained that the actual finance charges which were collected could not be ascertained from the  
11 computer system, because the practice of generating a new loan while a current loan was still  
12 outstanding was not supported by their software. Because the amounts in the computer reflected the  
13 face amount of the check and not all of the written agreements were extensions, a seven-day manual  
14 review of individual files was required to find the handwritten disclosures on each written  
15 agreement’s finance charge. The failure by A Plus Financial, Inc. to keep and use books and records  
16 which would “enable the commissioner to determine if the licensee is complying with the provisions  
17 of this division” and the failure to record the extension of the due dates of the loans and receipt of  
18 extension fees in their books and records is a violation of California Financial Code section 23024.

19 At the time of the examination, the examiner also advised the licensee that unauthorized fees  
20 (exceeding fifteen dollars) had been charged and collected for the return of some dishonored checks  
21 in violation of California Financial Code 23036(e). Specifically, the licensee had charged 16  
22 customers excess NSF fees (for non-sufficient funds) of \$235 on returned checks in the total loan  
23 amount of \$4,111.75.

24 In addition to the above-stated violations of California Financial Code sections 23024,  
25 23036(b),(e) and 23037(f), the regulatory examination also revealed that A Plus Financial, LLC  
26 engaged in the business of deferred deposit transactions during the period of July 19, 2005 through  
27 January 12, 2006 without a license in violation of section 23005(a). During this period, A Plus  
28 Financial, LLC made 148 loans totaling \$33,582.21.



## V

CITATIONS

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3 During the examination which commenced on November 14, 2008, the Commissioner  
4 identified 262 deferred deposit transactions in which A Plus Financial, LLC charged excessive fees  
5 totaling \$38,091.83 to customers in violation of Financial Code sections 23036(b) and 23036(e).  
6 There is no evidence that the Respondent has issued any refunds despite being informed of the  
7 unauthorized fees during the examination.

8 The foregoing facts establish that A Plus Financial, LLC has violated California Financial  
9 Code section 23036(b) by charging unauthorized extension fees, and 23036(e) by charging non-  
10 sufficient funds fees exceeding fifteen dollars (\$15) for the return of a dishonored check. Thus the  
11 Commissioner is statutorily authorized to issue the following Citations:

12 Citations 1 through 262 - Since about January 2007 through at least about October 2008, A  
13 Plus Financial, LLC has charged customers fees exceeding the amounts authorized under the  
14 California Financial Code in connection with deferred deposit transactions in violation of sections  
15 23036(b) and 23036(e);

16 Citation 263 – For the period of July 19, 2005 through January 12, 2006, A Plus Financial,  
17 LLC had engaged in making deferred deposit transactions without a license in violation of California  
18 Financial Code section 23005(a);

19 Citation 264 – A Plus Financial, LLC failed to record the extension of the due dates of the  
20 loans and the receipt of extension fees in the books and records, instead recording those loans that  
21 had the due dates extended for a fee as “paid in full,” in violation of California Financial Code  
22 sections 23024 and 23037(f).

23 Pursuant to California Financial Code section 23058, A Plus Financial, LLC is hereby ordered  
24 to pay to the Commissioner a total of 263 administrative penalties in the amount of forty-two  
25 thousand nine hundred and ninety dollars (\$42,990.00) for the following Citations within 30 days  
26 from the date of these Citations:

27 Citations 1 through 262 – One hundred forty-five dollars (\$145) EACH, totaling \$37,990.00;  
28 Citation 263 – Two thousand five hundred dollars (\$2500);  
Citation 264 – Two thousand five hundred dollars (\$2500).



1 Furthermore, Respondent A Plus Financial, LLC willfully violated Financial Code section  
2 23005(a) by engaging in making 148 deferred deposit transactions without a license for loans in the  
3 amount of \$33,582.21.

4  
5 A Plus Financial, LLC is hereby ordered to immediately return to consumers the principal  
6 amount provided in these deferred deposit transactions, plus any finance charges or fees received  
7 for the 410 deferred deposit transactions described above. The transactions totaling at least  
8 \$103,639.35 are declared void.

9  
10 **IX**  
11 **CONCLUSION**

12 The Commissioner finds that, by reason of the foregoing, the Respondent has violated  
13 California Financial Code sections 23005(a), 23024, 23036(b),(e), and 23037(f), and based  
14 thereon, grounds exist for the Commissioner to issue an order to desist and refrain from any  
15 further such violations, citations in the amount of forty-two thousand nine hundred and ninety  
16 dollars (\$42,990), and an order voiding loans totaling \$103,639.95 including the disgorgement of  
17 all charges and excess fees.

18  
19 Dated: May 14, 2009  
Sacramento, California

20  
21 PRESTON DuFAUCHARD  
California Corporations Commissioner

22  
23 By \_\_\_\_\_  
24 Alan S. Weinger  
25 Acting Deputy Commissioner  
26 Enforcement Division  
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