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California Corporations Commissioner  
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9  
10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12 THE CALIFORNIA CORPORATIONS	)	File No.: 100-2430
13 COMMISSIONER,	)	
14 Complainant,	)	1) <b>ACCUSATION TO REVOKE</b>
	)	<b>LICENSE</b>
15 vs.	)	
	)	2) <b>CITATIONS AND DESIST AND</b>
16 SISAK MISIRIAN, doing business as	)	<b>REFRAIN ORDER</b>
17 THRIFTY CHECK CASHING CO.,	)	
	)	3) <b>ORDER TO VOID DEFERRED</b>
18 Respondent.	)	<b>DEPOSIT TRANSACTIONS</b>

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20 Complainant, the California Corporations Commissioner, (“Commissioner”) is informed and  
21 believes, and based upon such information and belief, alleges and charges Respondent as follows:

22 INTRODUCTION

23 On March 11, 2005, the Commissioner of the California Department of Corporations  
24 (“Department”) issued to Respondent, Sisak Misirian, doing business as Thrifty Check Cashing Co.  
25 (Thrifty), a deferred deposit transaction originator license (File No. 100-2430) pursuant to the  
26 California Deferred Deposit Transaction Law (“CDDTL”) set forth in California Financial Code  
27 sections 23000 et seq. (All future references to sections are to the California Financial Code unless  
28 indicated otherwise.)

ACCUSATION TO REVOKE LICENSE; CITATIONS AND DESIST AND REFRAIN ORDER; AND ORDER TO  
VOID DEFERRED DEPOSIT TRANSACTIONS

1 By reason of Respondent’s numerous and continuing violations of the CDDTL, the  
2 Commissioner seeks to revoke the deferred deposit transaction originator license of Respondent  
3 pursuant to section 23052.

4 In addition, the Commissioner has also taken the following actions:

5 1) Issued twelve (12) citations in the amount of \$2,500 per citation pursuant to section 23058  
6 to Respondent for violations of the CDDTL; and;

7 2) Issued an order to Respondent to desist and refrain from engaging in deferred deposit  
8 transactions in violation of numerous provisions of the CDDTL and its governing regulations; and

9 3) Issued an order to Respondent voiding deferred deposit transactions made in violation of  
10 the CDDTL.

11 **I.**

12 **FACTUAL BACKGROUND**

13 During all relevant times herein, Thrifty is an individual licensed as a deferred deposit  
14 transaction originator with its principal place of business located at 20021 Roscoe Blvd., Unit 11,  
15 Canoga Park, CA 91306.

16 On or about March 6, 2008, the Commissioner commenced a regulatory examination of the  
17 books and records of Thrifty. The examination revealed that while engaged in the business of  
18 deferred deposit transactions, Thrifty violated provisions of the CDDTL as more fully described  
19 below:

20 (a) Thrifty charged consumers fees to extend their loans in violation of section 23036

21 (b).

22 (b) Thrifty misrepresented to existing consumers that they were entering into new  
23 deferred deposit transaction agreements, when in fact the loan agreement pertained  
24 to an extension of an already existing deferred deposit transaction in violation of  
25 section 23037 (f).

26 (c) Thrifty failed to post a notice in conspicuous view of the public with letters that are  
27 at least one-half inch in height that the licensee cannot threaten the consumer with  
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- 1 criminal prosecution to collect a deferred deposit check in violation of section  
2 23035 (d)(1).
- 3 (d) Thrifty failed to distribute to consumers a notice containing information enumerated  
4 under section 23035 (c) in violation of section 23035 (c).
- 5 (e) Thrifty failed to post a notice in conspicuous view of the public, with letters that are  
6 at least one-half inch in height, of the proper sample fee and APR calculations as  
7 enumerated in section 23035 (d)(2).
- 8 (f) Thrifty failed to use written agreements that contained the following provisions  
9 mandated under section 23035 (e):
- 10 i. That the customer cannot be prosecuted or threatened with prosecution to  
11 collect a deferred deposit check under section 23035 (e)(9);
  - 12 ii. That the licensee cannot accept collateral in connection with the transaction  
13 under section 23035 (e)(10); and
  - 14 iii. That the licensee cannot make a deferred deposit transaction contingent on  
15 the purchase of another product or service under section 23035 (e)(11).
- 16 (g) Thrifty failed to provide a current quarterly financial statement as required by  
17 California Code of Regulations, title 10, section 2025 (b), demonstrating that the  
18 minimum net worth of \$25,000 prescribed under section 23007 is met.
- 19 (h) Thrifty threatened criminal prosecution in its collection letters in violation of  
20 section 23035 (b).
- 21 (i) Thrifty failed to maintain evidence of the check for each deferred deposit  
22 transaction in violation of California Code of Regulations, title 10, section 2025  
23 (c)(1).
- 24 (j) Thrifty accepted documents with blanks to be filled in after execution in violation  
25 of section 23037 (h).

26 Thrifty's violations of the following Financial Code sections are repeat violations: 23035  
27 (c), pertaining to the distribution of notices; 23035 (d)(1), pertaining to the posting of notices  
28 prohibiting the threat of criminal prosecution to collect a check; 23035 (e) pertaining to the use of

1 proper written agreements; 23036 (b), pertaining to the prohibition against the threat of criminal  
2 prosecution; and 23037 (h), pertaining to the acceptance of blank documents that are filled in after  
3 execution.

4 The Department had previously conducted a regulatory examination of Thrifty's books and  
5 records on August 24, 2005, revealing multiple violations of the CDDTL, including sections 23035  
6 (c), (d)(1) and (e), 23036 (b), and 23037 (h). The Department brought the violations to Thrifty's  
7 attention on November 14, 2005, and in response, Thrifty had represented to the Department on  
8 February 10, 2006, that they have remedied the defects and would not violate sections 23035 (c),  
9 (d)(1) and (e), 23036 (b), and 23037 (h) in the future.

## 10 II.

### 11 CITATIONS

### 12 AND

### 13 DESIST AND REFRAIN ORDER

14 **(For violations of California Financial Code sections: 23035 (b)-(e), 23036 (b), 23037 (f) and**  
15 **(h) and California Code of Regulations, title 10, sections 2025 (b) and (c)(1).**

16 Section 23058 states:

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

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

26 (c) If within 30 days from the receipt of the citation of the person cited  
27 fails to notify the department that the person intends to request a hearing  
28 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

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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.

Section 23050 provides in pertinent part:

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

**A.**

**CITATIONS**

Thrifty’s specific violations include the following California Financial Code sections: 23035 (b)-(e), 23036 (b), 23037 (f) and (h) and California Code of Regulations, title 10, sections 2025 (b) and (c)(1). For Thrifty’s violations, the Commissioner is issuing Citations A through L described as follows:

- (1) **CITATION A** – Thrifty charged consumers fees to extend their loans in violation of section 23036 (b).
- (2) **CITATION B** – Thrifty misrepresented to existing consumers that they were entering into new deferred deposit transaction agreements, when in fact the loan agreement pertained to an extension of an already existing deferred deposit transaction in violation of section 23037 (f).
- (3) **CITATION C** - Thrifty failed to post a notice in conspicuous view of the public, with letters that are at least one-half inch in height, that the licensee cannot threaten the

- 1 consumer with criminal prosecution to collect a deferred deposit check in violation of
- 2 section 23035 (d)(1).
- 3 (4) **CITATION D** - Thrifty failed to distribute to consumers a notice containing information
- 4 enumerated under section 23035 (c) in violation of section 23035 (c).
- 5 (5) **CITATION E** - Thrifty failed to post a notice in conspicuous view of the public, with
- 6 letters that are at least one-half inch in height, of the proper sample fee and APR
- 7 calculations as enumerated in section 23035 (d)(2).
- 8 (6) **CITATION F** - Thrifty failed to include in its written agreement a statement that the
- 9 customer cannot be prosecuted or threatened with prosecution to collect in violation of
- 10 section 23035 (e)(9).
- 11 (7) **CITATION G** - Thrifty failed to include in its written agreement a statement that the
- 12 licensee cannot accept collateral in connection with the transaction in violation of section
- 13 23035 (e)(10).
- 14 (8) **CITATION H** - Thrifty failed to include in its written agreement a statement that the
- 15 licensee cannot make a deferred deposit transaction contingent on the purchase of another
- 16 product or service in violation of section 23035 (e)(11).
- 17 (9) **CITATION I** - Thrifty failed to provide a current quarterly financial statement as required
- 18 by California Code of Regulations, title 10, section 2025 (b), demonstrating that the
- 19 minimum net worth of \$25,000 prescribed under section 23007 is met.
- 20 (10) **CITATION J** – Thrifty threatened criminal prosecution in its collection letters in
- 21 violation of section 23035 (b).
- 22 (11) **CITATION K** - Thrifty failed to maintain evidence of checks for all deferred deposit
- 23 transactions as required by California Code of Regulations, title 10, section 2025 (c)(1).
- 24 (12) **CITATION L** – Thrifty accepted documents with blanks to be filled in after execution in
- 25 violation of section 23037 (h).

26 Pursuant to section 23058, Sisak Misirian dba Thrifty Check Cashing Company is hereby  
27 ordered to pay to the Commissioner within 30 days from the date of these citations, an  
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1 administrative penalty of two thousand five hundred dollars (\$2,500) for each of the twelve  
2 citations listed below for the total amount of fifteen thousand dollars (\$30,000).

- 3 (1) **CITATION A** - \$2,500
- 4 (2) **CITATION B** - \$2,500
- 5 (3) **CITATION C** - \$2,500
- 6 (4) **CITATION D** - \$2,500
- 7 (5) **CITATION E** - \$2,500
- 8 (6) **CITATION F** - \$2,500
- 9 (7) **CITATION G** - \$2,500
- 10 (8) **CITATION H** - \$2,500
- 11 (9) **CITATION I** - \$2,500
- 12 (10) **CITATION J** - \$2,500
- 13 (11) **CITATION K** - \$2,500
- 14 (12) **CITATION L** - \$2,500

15 These Citations shall remain in full force and effect until further order of the Commissioner.

16 **B.**

17 **DESIST AND REFRAIN ORDER**

18 Pursuant to sections 23050 and 23058, Sisak Misirian dba Thrifty Cash Checking Company  
19 is hereby ordered to desist and refrain from engaging in the business of deferred deposit  
20 transactions in the State of California in violation of sections 23035 (b)-(e), 23036 (b), 23037 (f)  
21 and (h) and California Code of Regulations, title 10, sections 2025 (b) and (c)(1).

22 The Desist and Refrain Order is necessary for the protection of consumers and consistent  
23 with the purposes, policies and provisions of the CDDTL. This Order shall remain in full force  
24 and effect until further order of the Commissioner.

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**III.**

**ORDER VOIDING DEFERRED DEPOSIT TRANSACTIONS**

In originating deferred deposit transactions, Thrifty willfully charged fees for at least 58 consumers to extend their loans, in violation of section 23036 (b), as described in more detail above.

Pursuant to section 23060 (a), all two-hundred (200) of the aforementioned deferred deposit transactions, totaling \$50,135.90 shall be declared void, and Thrifty has no right to collect or receive any amount provided in the deferred deposit transactions, any charges, or fees in connection with those transactions and is hereby ordered to immediately return any amount and all charges and fees received for these transactions, including but not limited to principle loan amounts and loan charges in an amount of at least \$50,135.90, and unauthorized extension fees charged in an amount of at least \$34,681.07.

**IV.**

**ORDER REVOKING CALIFORNIA DEFERED DEPOSIT TRANSACTION LICENSE**

Section 23052 provides in pertinent part:

The commissioner may suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

- (a) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.
- (b) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.
- (c) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

The Commissioner finds that, by reason of the foregoing, Sisak Misirian doing business as Thrifty Check Cashing Co., has violated sections 23035 (b)-(e), 23036 (b), 23037 (f) and (h) and California Code of Regulations, title 10, sections 2025 (b) and (c)(1), which are grounds to revoke the deferred deposit transaction license of Sisak Misirian doing business as Thrifty Check Cashing Co.

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WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of Sisak Misirian doing business as Thrifty Check Cashing Co. be revoked.

Dated: September 24, 2008  
Los Angeles, California

California Corporations Commissioner

By \_\_\_\_\_

Alan S. Weinger  
Acting Deputy Commissioner  
Enforcement Division