

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Supervising Attorney
4 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
5 Department of Corporations
320 West 4th Street, Ste. 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181

7 Attorneys for Complainant
8

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

11
12 In the Matter of the Accusation of THE) File No.: 100-0708
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 CHUCRI EL-MAASRI doing business as SAN)
MARCOS CHECK CASHING,)
18)
19 Respondent.)
_____)
20

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

23 I

24 Respondent Chucri El-Maasri doing business as San Marcos Check Cashing (“San Marcos”)
25 is a deferred deposit transaction originator licensed by the California Corporations Commissioner
26 (“Commissioner”) pursuant to the California Deferred Deposit Transaction Law (California
27 Financial Code § 23000 et seq.) (“CDDTL”). San Marcos has its principal place of business located
28 at 273 S. Rancho Santa Fe Road, San Marcos, California 92078.

II

1
2 On or about July 18, 2006, the Commissioner commenced a regulatory examination of the
3 books and records of San Marcos. The regulatory examination disclosed that San Marcos had failed
4 to maintain deferred deposit transaction records for a period of two years from the date of the last
5 transaction as required by California Financial Code section 23024 and California Code of
6 Regulations, title 10, section 2025(c)(1). San Marcos was routinely destroying deferred deposit
7 transaction records upon completion of the transaction(s). Moreover, a review of pending
8 transactions disclosed that San Marcos routinely failed to disclose the annual percentage rate and
9 customer payment obligations in violation of California Financial Code section 23035(e)(1)&(2).

10 The regulatory examination further disclosed that San Marcos was taking excessive fees for
11 deferred deposit transactions involving transaction amounts of \$300.00. Pursuant to California
12 Financial Code section 23036(a), the maximum fee allowed is 15% of the face value of the check or
13 \$45.00 for a \$300.00 check. San Marcos was routinely taking a \$50.00 fee on \$300.00 transactions.

14 In addition to the violations discovered during the regulatory examination, on or about March
15 6, 2006, San Marcos violated California Code of Regulations, title 10, section 2030, by filing a false
16 annual report with the Commissioner. The annual report was false in that San Marcos had estimated
17 the information required to be contained therein because San Marcos lacked the necessary records to
18 give accurate information due to the illegal destruction of the records discussed above.

III

19
20 California Financial Code section 23052 provides in pertinent part:

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

24 (a) The licensee has failed to comply with any demand, ruling, or
25 requirement of the commissioner made pursuant to and within the authority
26 of this division.

27 (b) The licensee has violated any provision of this division or any rule or
28 regulation made by the commissioner under and within the authority of this
29 division.

(c) A fact or condition exists that, if it had existed at the time of the original

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

IV

The Commissioner finds that, by reason of the foregoing, San Marcos has violated California Financial Code sections 23024, 23035 and 23036 and sections 2025 and 2030 of Title 10 of the California Code of Regulations, which are grounds to revoke the deferred deposit transaction license of San Marcos.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of San Marcos be revoked.

Dated: September 21, 2006
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel