

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

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

TO: B & R CHECK HOLDERS, INC.
20783 Bear Valley Rd., Suite C
Apple Valley, CA 92308

CITATION
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code sections 23050 and 23058
for violations of California Financial Code sections 23005 and 23020)

The California Corporations Commissioner finds that:

1. B & R Check Holders, Inc. (“B & R”) is and was at all relevant times herein a corporation authorized to conduct business in this state with its principal place of business located at 20783 Bear Valley Rd., Suite C, Apple Valley, CA 92308.
2. Pursuant to California Code sections 23005 and 23020, any person engaging in the business of deferred deposit transactions must have a separate license for each location in which it does deferred deposit transaction business.
3. B & R has engaged in the business of deferred deposit transactions by originating deferred deposit transactions as described below.
3. On or about December 31, 2004, B & R obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at its principal place of business located at 20783 Bear Valley Rd., Suite C, Apple Valley, CA 92308.
4. Pursuant to California Code sections 23005 and 23020, any person engaged in the business of deferred deposit transactions must have a separate license for each location in which it does deferred deposit transaction business.

1 5. An examination of B & R conducted by the Commissioner in November 2008
2 disclosed that B & R was engaging in the business of deferred deposit transactions as an originator
3 over the Internet at 8601 Turnpike Drive, Suite 106, Westminster, Colorado, 80031. The
4 examination further disclosed that B & R had engaged in originating approximately 141 deferred
5 deposit transactions over the Internet to borrowers in California at this location since at least May
6 22, 2006 continuing until at least November 6, 2008.

8 6. A deferred deposit transaction is a written transaction whereby one person gives
9 funds to another person upon receipt of a personal check and it is agreed that the personal check
10 shall not be deposited until a later date.

12 7. B & R had not been issued a license by the Commissioner authorizing it to engage in
13 the business of deferred deposit transactions under the California Deferred Deposit Transaction Law
14 (California Financial Code §§ 23000 et. seq.) to borrowers in California over the Internet from the
15 location in Westminster, Colorado.

17 8. B & R is not exempt from the licensing requirements of Financial Code section 23005
18 for the location in Westminster, Colorado.

19 By reason of the foregoing, B & R has engaged in the business of deferred deposit
20 transactions without having first obtained a license from the Commissioner in violation of
21 California Financial Code sections 23005 and 23020.

23 Pursuant to California Financial Code section 23058, B & R is hereby ordered to pay
24 to the Commissioner an administrative penalty in the amount of five hundred dollars (\$2,500).

25 Pursuant to California Financial Code section 23050, B & R is hereby ordered to
26 desist and refrain from engaging in the business of deferred deposit transactions in the State of
27
28

1 California at any location that is not licensed by the Commissioner, or otherwise exempt including,
2 but not limited to, the Westminster, Colorado location.

3 This Citation and Order is necessary, in the public interest, for the protection of
4 consumers and is consistent with the purposes, policies and provisions of the California Deferred
5 Deposit Transaction Law. This Citation and Order shall remain in full force and effect until further
6 order of the Commissioner.
7

8 California Financial Code section 23058 provides, in relevant part:

9 (a) If, upon inspection, examination or investigation, based upon a
10 complaint or otherwise, the department has cause to believe that a person
11 is engaged in the business of deferred deposit transactions without a license,
12 . . . the department may issue a citation to that person in writing, describing
13 with particularity the basis of the citation. Each citation may contain an
14 order to desist and refrain and an assessment of an administrative penalty not
15 to exceed two thousand five hundred dollars (\$2,500)

16 (c) If within 30 days from the receipt of the citation of the person cited fails
17 to notify the department that the person intends to request a hearing as
18 described in subdivision (d), the citation shall be deemed final.

19 (d) Any hearing held under this section shall be conducted in accordance with
20 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2
21 of the Government Code

22 California Financial Code section 23050 provides:

23 Whenever, in the opinion of the commissioner, any person is engaged in the
24 business of deferred deposit transactions, as defined in this division, without
25 a license from the commissioner, or any licensee is violating any provision
26 of this division, the commissioner may order that person or licensee to desist
27 and to refrain from engaging in the business or further violating this division.
28 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.

/

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

Dated: May 19, 2009
Los Angeles, CA

Preston DuFauchard
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law