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

TO: TONY SARYAN
LEON’S DISCOUNT STORE
6515 Van Nuys Boulevard, #B
Van Nuys, CA 91401

CITATIONS
AND
DESIST AND REFRAIN ORDER
(For violations of California Financial Code section 23005)
(Pursuant to Financial Code sections 23050 and 23058)

The California Corporations Commissioner finds that:

1. The Commissioner is informed and believes and based upon such information and belief alleges that Leon’s Discount Store (“Leon’s”) is, and was at all relevant times herein, a sole proprietorship, with its principal place of business located at 6515 Van Nuys Boulevard, #B, Van Nuys, CA 91401.
2. Tony Saryan (“Saryan”) is, and was at all timers relevant herein, the owner and manager of Leon’s.
3. Leon’s and Saryan have engaged in the business of deferred deposit transactions by arranging deferred deposit transactions for, acting as an agent for and/or assisting The Payday Card, Inc., a deferred deposit originator, in the origination of deferred deposit transactions since at least July 21, 2008 through at least August 6, 2008 as described below.
4. An Examination of Leon’s conducted by the Commissioner on November 25, 2008 disclosed that Leon’s and Saryan had arranged deferred deposit transactions for, acted as an agent for, and/or assisted The Payday Card, Inc. in the origination of at least 20 deferred deposit transactions to at least 17 customers totaling at least \$4,182.23. The examination disclosed that

1 Leon's and Saryan had been engaged in arranging deferred deposit transactions for, acting as an
2 agent for, and/or assisting The Payday Card, Inc. in the origination of deferred deposit transactions
3 since at least July 21, 2008 through at least August 6, 2008.

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

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9 5. Leon's and Saryan were arranging deferred deposit transactions for, acting as an
10 agent for, and/or assisting The Payday Card, Inc. in the origination of deferred deposit transactions
11 by means of advertising deferred deposit transactions, handling the application process and
12 distributing the loan proceeds.

13 6. Neither Leon's nor Saryan are employees of The Payday Card, Inc.

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15 7. The examination of Leon's conducted by the Commissioner on November 25, 2008
16 further disclosed that Leon's and Saryan engaged in the business of deferred deposit transactions as
17 an originator at 6515 Van Nuys Boulevard, #B, Van Nuys, CA 91401. Leon's and Saryan had
18 engaged in originating at least 90 deferred deposit transactions to at least 26 customers totaling at
19 least \$15,132.57 since at least August 7, 2008 through November 25, 2008.

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21 8. Neither Leon's nor Saryan has been issued a license by the Commissioner authorizing
22 it to engage in the business of deferred deposit transactions under the California Deferred Deposit
23 Transaction Law ("CDDTL") (California Financial Code §§ 23000 et. seq.).

24
25 9. Neither Leon's nor Saryan is exempt from the licensing requirements of California
26 Financial Code sections 23005.

27
28 By reason of the foregoing, Leon's and Saryan has engaged in the business of deferred
deposit transactions without having first obtained a license from the Commissioner in violation of

1 California Financial Code sections 23005.

2 Pursuant to California Financial Code section 23058, Leon’s and Saryan is hereby ordered to
3 pay to the Commissioner an administrative penalty in the amount of one thousand dollars (\$1,000)
4 for the following Citations:
5

6 Citation A. \$500 - Leon’s and Saryan engaged in the business of deferred deposit
7 transactions by arranging deferred deposit transactions for, acting as an agent for and/or assisting
8 The Payday Card, Inc., a deferred deposit originator, in the origination of deferred deposit
9 transactions without a license issued by the Commissioner under the CDDTL.
10

11 Citation B. \$500 - Leon’s and Saryan engaged in the business of deferred deposit
12 transactions as an originator without a license issued by the Commissioner under the CDDTL.

13 Pursuant to California Financial Code section 23050, Leon’s and Saryan are hereby ordered
14 to desist and refrain from engaging in the business of deferred deposit transactions in the State of
15 California without first obtaining a license from the Commissioner, or otherwise being exempt.
16

17 These Citations and Order are necessary, in the public interest, for the protection of
18 consumers and is consistent with the purposes, policies and provisions of the California Deferred
19 Deposit Transaction Law. This Citation and Order shall remain in full force and effect until further
20 order of the Commissioner.
21

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

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

(c) If within 30 days from the receipt of the citation of the person cited fails

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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 held 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

California Financial Code section 23050 provides:

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

Dated: February 26, 2009
Los Angeles, CA

Preston DuFauchard
California Corporations Commissioner

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