WAYNE STRUMPFER
Acting California Corporations Commissioner
ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
URSULA L. CLEMONS (CA BAR NO. 162302)
Corporations Counsel
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
Telephone: (213) 576-7586 Fax: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. CHUMA MEGAFU and MEGAFU ENTERPRISES dba IN N OUT CASH EXPRESS (aka IN AND OUT CASH EXPRESS), Respondent.	File Nos.: 100-1758 ORDER DENYING CALIFORNIA DEFERRED DEPOSIT TRANSACTION LICENSE APPLICATION

The California Corporations Commissioner finds:

1. On or about September 20, 2003, Chuma Megafu ("Megafu") on behalf of Megafu Enterprises doing business as In N Out Cash Express filed an application for a deferred deposit transaction license (File No. 100-1758 hereinafter "application") with the California Corporations Commissioner ("Complainant" or "Commissioner") pursuant to the California Deferred Deposit Transaction Law ("CDDTL") (Financial Code sections 23000 et. seq.), in particular, California Financial Code section 23005. The application was for a location situated at 1296 S. La Brea, Los Angeles, California 90019.

State of California – Department of Corporations

2. Megafu was aware that a CDDTL license was required in order to engage in the business of deferred deposit transactions as (i) Megafu had applied with the Commissioner for a CDDTL license on or about September 30, 2003, (ii) Megafu received a written notice from the Commissioner dated November 10, 2004 that specifically informed Megafu that he could not engage in the business of deferred deposit transactions after December 31, 2004, without a license issued by the Department and (iii) on December 24, 2004, the Commissioner informed Megafu of its intent to deny the application. Megafu was informed that the denial decision would be reconsidered if an amended application were submitted within fifteen (15) days. Nothing was received from Megafu following the December 24, 2004 letter.

3. On June 21, 2005, the Commissioner determined that Megafu was engaging in unlicensed deferred deposit transaction business. The Commissioner found that In N Out Cash Express and Megafu had engaged in offering and/or originating deferred deposit transactions without a license from January 1, 2005 through at least June 21, 2005. A Desist and Refrain Order was issued on June 24, 2005 against Megafu and In N Out Cash Express for violation of California Financial Code section 23005. A hearing was not requested.

4. Notwithstanding written notifications regarding licensure, Megafu continued to engage in the business of deferred deposit transactions.

5. Megafu is incapable of operating his business in compliance with the CDDTL as demonstrated by his continuous pattern of violations.

6. It is in the best interests of the public to deny Megafu's application for CDDTL license.

7. Engaging in unlicensed deferred deposit transaction business without a license in violation of California Financial Code section 23005 is grounds under California Financial Code section 23011 to deny license application(s) issued under the CDDTL.

8. On March 14, 2005, the Commissioner issued a Notice of Intention to Issue Order Denying California Deferred Deposit Transaction License Application, Statement of Issues, and accompanying documents against Megafu based upon the above. Megafu was served with the documents and requested an administrative law hearing on or about March 24, 2005. The matter

was set for hearing on June 24, 2005. The parties appeared at hearing on June 24, 2005 and a First Amended Statement of Issues was served. The hearing was continued to August 12 and August 15, 2005. On August 4, 2005, Megafu submitted a written petition to withdraw his request for hearing.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application for CDDTL licenses filed by Megafu on behalf of Megafu Enterprises doing business as In N Out Cash Express is hereby denied. This order is effective as of the date hereof.

Dated: August 17, 2005
Los Angeles, CA

WAYNE STRUMPFER
Acting California Corporations Commissioner

By_____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law

State of California – Department of Corporations