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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

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| In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER,<br><br>Complainant,<br><br>vs.<br><br>GC LOAN CENTER, INC., GRACIELA DELOURDES RUIZ ZAMORA, IGOR SPANIC, BRYAN ALEXIS CRUZ, WALTER ALEXANDER REYES, DAVID S. WATKINS and DANIEL C. STAR,<br><br>Respondent. | File Nos. 603-F867 & 603-H198<br><br>ORDER BARRING DANIEL C. STAR FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY FINANCE LENDER AND/OR BROKER |

The California Corporations Commissioner finds that:

1. Respondent GC Loan Center, Inc. ("GC Loan") is a lender/broker licensed by the California Corporations Commissioner ("Commissioner") pursuant to the California Finance Lenders Law of the State of California (California Financial Code § 22000 et seq.) ("CFLL"). GC Loan currently holds two licenses issued under the CFLL. The main licensed location is at 2829 N. San Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license is located at 4501 W. Pico Boulevard, Los Angeles, California 90019.

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2. Respondent Graciela DeLourdes Ruiz Zamora ("Zamora"), according to the documents submitted to the Department of Corporations ("Department"), was the president, secretary, treasurer, sole shareholder, sole director and person responsible for the lending activities of GC Loan from the date of filing of the initial CFLL license application on or about September 7, 2007 until on or about November 18, 2009.

3. Respondent Daniel C. Star aka Danijel Kociper ("Star") was at least during the period of September 7, 2007 through on or about November 18, 2009, a person responsible for lending activities of GC Loan. Star was, at all times relevant, also the president of Five Stars Services Inc. ("Five Stars") and involved with the management and operations of CT Loans Center, Inc. ("CT Loans").

4. Financial Code section 22101 provides that an application for a CFLL license shall be in the form and contain the information that the Commissioner may by rule require. Financial Code section 22101 and California Code of Regulations, title 10, section 1422, requires corporate applicants to disclose to the Commissioner in the application all officers, directors, any person owning or controlling, directly or indirectly, 10% or more of the applicant, all person(s) who would be in charge of the business, and all person(s) with direct responsibility for the proposed activities of the applicant.

5. On September 7, 2007, GC Loan filed its application for a lender/broker license with the Commissioner pursuant to California Financial Code section 22101 (File No. 603-F867 hereinafter the "application").

6. The application identified Zamora as the president, vice-president, secretary, treasurer, sole director, sole shareholder and person in charge of GC Loan. As required by California Code of Regulations, title 10, section 1422, the application included a Statement of Identity and Questionnaire ("SIQ") for Zamora. Section 1422 requires CFLL applications to include an SIQ for all officers, directors, any person owning or controlling, directly or indirectly, 10% or more of the applicant, all person(s) who would be in charge of the business, and all person(s) with direct responsibility for the proposed activities of the applicant. There were no other persons listed. Zamora executed the application under penalty of perjury as president of GC Loan. The issuance of

the CFLL license to GC Loan on June 11, 2008 was based upon all the information submitted with the application, including the Department of Justice background check on Zamora.

7. On January 23, 2009, GC Loan filed a short form application for one further lender/broker license (File No. 603-H198 hereinafter "branch application") with the Commissioner pursuant to the CFLL. The branch application was for a location situated at 4501 West Pico Boulevard, Los Angeles, California 90019. The application identified Zamora as the owner-president of GC Loan and Zamora verified the application as the owner-president of GC Loan. The branch application disclosed an Igor Spanic ("Spanic") as the branch manager. An SIQ for Spanic was filed with the branch application.

8. Pursuant to Financial Code section 22108 and California Code of Regulations, title 10, section 1422, all CFLL licensees are required to amend their application(s) if there is any change in any of the persons required to be identified in the application(s). Additionally, California Code of Regulations, title 10, section 1409 requires CFLL licensees to maintain a current list of officers, directors and other persons required to be disclosed in the application with the Commissioner, and in the event of any change, to file with the Commissioner the same information on such new persons as is required for an original license within 30 days of the change.

9. On or about September 25, 2009, the Commissioner, by and through his staff, commenced a regulatory examination of GC Loan. The regulatory examination disclosed that CT Loans and Star were persons responsible for lending activities at GC Loan, at least during the period that GC Loan was under Zamora. In particular, CT Loans and Star were issuing loan proceeds checks to GC Loan borrowers from CT Loans' bank account. CT Loans and Star have never been identified in any application and/or application amendment filed with the Commissioner by GC Loan.

10. Star was also an undisclosed person in charge at Loxley & Star, Inc., a former California Deferred Deposit Transaction Law licensee of the Department of Corporations ("Department"), whose license was revoked for failing to disclose all required persons, among other violations of the California Deferred Deposit Transaction Law. Star is also named in a September 28, 2009 Desist and Refrain Order issued by the Department against CT Loans Center, Inc. and Star,



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among others, for engaging in unlicensed CFLL lending activities.

11. Accordingly, the initial application submitted by GC Loan violated Financial Code section 22101 and California Code of regulations, title 10, section 1422 in that it failed to disclose Star and/or CT Loans Center, Inc. or, if the changes occurred after licensure, GC Loan violated California Financial Code section 22108 and California Code of Regulations, title 10, sections 1409 and 1422, by failing to amend its initial application to disclose the positions of Star and/or CT Loans Center, Inc. with GC Loan.

12. During the course of the regulatory examination commenced on or about September 25, 2009, GC Loan was found to have violated numerous provisions of the CFLL. The regulatory examination disclosed that GC Loan had, among other violations, (i) failed to maintain proper books and records in violation of Financial Code section 22156; (ii) in five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed, charged borrowers an interest rate in excess of that allowed under Financial Code section 22303 or 22304 in that the bona fide principal amount was less than $2,500.00; (iii) in five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed, charged excessive administrative fees to borrowers who took out loans with bona fide principal amounts of $2,500 or less in violation of Financial Code section 22305; (iv) in five of nineteen, or approximately twenty-six percent (26%) of the loans reviewed, compounded interest charges on loans under $5,000.00 in violation of Financial Code section 22309; (v) in all five (100%) loans reviewed involving repossessed vehicles, failed to obtain three bids prior to selling the repossessed vehicle in violation of California Code of Regulations, title 10, section 1538(b)(1); (vi) in all five (100%) loans reviewed involving repossessed vehicles, sold the repossessed vehicle to an affiliate (Five Stars) in violation of California Code of Regulations, title 10, section 1540; and (vii) in four of five, or approximately eighty percent (80%) of the loans reviewed involving repossessed vehicles, used an unlicensed company to repossess vehicles in violation of Financial Code section 22329.

13. Based on the above, GC Loan and Star have (i) violated Financial Code section 22101 and California Code of regulations, title 10, section 1422 by failing to disclose CT Loans Center, Inc and Star in its application and/or violated Financial Code section 22108 and California



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Code of Regulations, title 10, section 1409 by failing to amend its application to disclose CT Loans Center, Inc. and Star, (ii) violated California Code of Regulations, title 10, section 1409 by failing to maintain a current list of officers and directors with the Commissioner, (iii) violated Financial Code section 22303 or 22304 by charging excessive interest rates on loans, (iv) violated Financial Code section 22305 by overcharging administrative fees, (v) violated Financial Code section 22309 by compounding interest charges on loans under $5,000.00; (vi) violated California Code of Regulations, title 10, section 1538(b)(1) by failing to obtain three bids prior to selling repossessed vehicles, (vii) violated California Code of Regulations, title 10, section 1540 by selling repossessed vehicles to Five Stars, an affiliate, and (viii) violated Financial Code section 22329 by using an unlicensed company to repossess vehicles.

14. On October 12, 2011, the Commissioner issued a Notice of Intention to Issue an Order Revoking Finance Lender and/or Broker Licenses and to Issue Order Pursuant to California Financial Code Section 22169 (Bar from Employment, Management or Control of Any Finance Lender and/or Broker), Accusation and accompanying documents against GC Loan, Star and others. Star was personally served with those documents on October 22, 2011. The Department has received no request for a hearing or any other response from Star and the time to request a hearing has expired.

15 The above-described violations constitute grounds under Financial Code section 22169 to bar a person from any employment, management or control of any finance lender and/or broker.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Daniel C. Star is hereby barred from any position of employment, management or control of any finance lender and/or broker. This order is effective as of the date hereof.

Dated: November 8, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner
Enforcement Division



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