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

Attorneys for Complainant

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>Respondents. | File Nos. 603-F867 & 603-H198<br><br>ORDER BARRING WALTER ALEXANDER REYES 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") was 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 held two licenses issued under the CFLL. The main licensed location was at 2829 N. San Fernando Boulevard, Suite 203, Los Angeles, California 90065. The branch license was located at 4501 W. Pico Boulevard, Los Angeles, California 90019.

2. Respondent Walter Alexander Reyes aka Walter Reyes aka Walter Reyes-Illescas

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("Reyes"), according to the documents submitted to the Department, was the president, secretary, treasurer, and sole shareholder of GC Loan from May 25, 2010 until October 29, 2010.

3. On September 25, 2009, the Commissioner, by and through his staff, commenced a regulatory examination of GC Loan. During the course of the regulatory examination commenced on 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.

4. On March 3, 2010, as a result of the findings of the regulatory examination, GC Loan was required to conduct a self audit of all loans made during the period of June 11, 2008 through to March 2010 and make refunds to overcharged customers. As part of the self audit, GC Loan was required to submit an electronic report to the Department in Microsoft Access or Excel, which report was to include the borrower's name, address, account number, date of loan, amount of refund, date of refund, check number or account credited for all affected customers. The report, along with a response to other exceptions noted during the examination, was to be submitted



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to the Department within 30 days. GC Loan did not submit any response to the Department within the 30 days. Thereafter, GC Loan, under Reyes did submit a response, but not until on or about July 17, 2010 (105 days late) and the CD-Rom submitted by GC Loan allegedly containing the results of the self audit was inaccessible.

5. GC Loan, under Reyes, failed to pay $6,945.69 of its regulatory examination bill despite several demands in violation of Financial Code section 22707.

6. Based on the above, Reyes (i) violated Financial Code sections 22159(b) and 22701 by failing to file a response to the regulatory examination findings, including filing a self audit report, and (ii) violated Financial Code section 22707 by failing to pay the regulatory examination fees.

7. 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, Reyes and others. Reyes was served with those documents on October 24, 2011. The Department has received no request for a hearing or any other response from Reyes and the time to request a hearing has expired.

8. 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 Walter Alexander Reyes 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 21, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner
Enforcement Division



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