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Acting California Corporations Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Statement of Issues of THE) File Nos.: 100-3111
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) STATEMENT OF ISSUES
13)
Complainant,)
14)
15 vs.)
16 ALLEN C. NADER doing business as)
ADVANCE CALIFORNIA,)
17)
Respondent.)
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19 The Complainant is informed and believes, and based upon such information and belief,
20 alleges and charges Respondent as follows:

21 I
22 INTRODUCTION

23 The proposed order seeks to deny the issuance of a deferred deposit transaction license to
24 Allen C. Nader, an individual, doing business as Advance California ("Nader") pursuant to
25 California Financial Code section 23011(a)(3) in that Nader has committed numerous violations of
26 the California Deferred Deposit Transaction Law ("CDDTL").
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II

THE APPLICATION

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3 On January 24, 2006, Nader filed an application for a deferred deposit transaction license
4 (File No. 100-3111, hereinafter "application") with the California Corporations Commissioner
5 ("Complainant" or "Commissioner") pursuant to the CDDTL (Financial Code sections 23000 et.
6 seq.), in particular, California Financial Code section 23005. The application is for a location
7 situated at 20442 Sherman Way, Suite B, Canoga Park, California 91306.

III

DEFERRED DEPOSIT TRANSACTION LAW VIOLATIONS

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10 On or about May 17, 2005, the Commissioner commenced an examination of Nader to
11 determine if Nader was engaging in unlicensed deferred deposit transaction business. The
12 examination was commenced when Nader failed to respond to the February 8, 2005 letter sent to
13 Nader informing him that he could not engage in the business of deferred deposit transactions unless
14 and until he obtained a CDDTL license(s) from the Commissioner. The examination revealed that
15 Nader was offering deferred deposits to the public without a license in violation of California
16 Financial Code section 23005. Nader was requested to provide copies of deferred deposit
17 transaction files, but stated that he did not have any files as he had only recently purchased the
18 business on April 27, 2005. Nader was notified at that time that he must cease all deferred deposit
19 activity unless and until he receives a CDDTL license from the Commissioner. A CDDTL long
20 form application was provided to Nader at that time. The Commissioner determined not to issue a
21 Desist and Refrain Order against Nader at that time based upon Nader's representations that he had
22 just recently purchased the business and that he would apply for a CDDTL license.

23 On or about December 5, 2005, the Commissioner commenced a further examination of
24 Nader after Nader refused to accept and/or failed to respond to further communications from the
25 Commissioner or submit a CDDTL license application. The December 5, 2005 examination
26 revealed that Nader had originated at least 69 deferred deposit transactions in violation of California
27 Financial Code section 23005 since the May 17, 2005 examination. The December 5, 2005
28 examination further revealed that Nader was in possession of the deferred deposit transaction files

1 from the previous ownership at least back to January 1, 2005. Thereafter, on or about January 24,
2 2006, Nader submitted the application described in Section II above.

3 IV

4 CONCLUSION

5 Complainant finds, by reason of the foregoing, that Nader has committed at least 69
6 violations of the CDDTL and is incapable of operating his business in compliance with the CDDTL
7 as demonstrated by his flagrant and continuous pattern of violations.

8 California Financial Code section 23011 provides in pertinent part:

9 (a) Upon reasonable notice and the opportunity to be heard, the
10 commissioner may deny the application for any of the following reasons:

11 (3) The applicant or any officer, director, or general partner, or person owning or
12 controlling, directly or indirectly, 10 percent or more of the outstanding interests or
13 equity securities of the applicant has violated any provision of this division or the
14 rules thereunder or any similar regulatory scheme of the State of California or a
15 foreign jurisdiction.

16 THEREFORE, Complainant asserts that he is justified under California Financial Code
17 section 23011 in denying Nader’s application for a CDDTL licenses.

18 WHEREFORE IT IS PRAYED that the application for a CDDTL license filed by Nader on
19 January 24, 2006 be denied.

20 Dated: March 9, 2006
21 Los Angeles, CA

22 WAYNE STRUMPFER
23 Acting California Corporations Commissioner

24 By _____
25 Judy L. Hartley
26 Senior Corporations Counsel
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