

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
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BEFORE THE DEPARTMENT OF CORPORATIONS

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OF THE STATE OF CALIFORNIA

11

THE CALIFORNIA CORPORATIONS )  
COMMISSIONER, )

OAH Case No. 2008100216

12

Complainant, )

13

vs. )

**ORDER SUSPENDING CALIFORNIA  
DEFERRED DEPOSIT TRANSACTION  
LICENSE**

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CHECK MARK ENTERPRISES, )

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Respondent. )

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20 Pursuant to the Settlement Agreement entered into between the California Corporations  
21 Commissioner ("Commissioner") and Check Mark Enterprises ("Respondent"), attached and  
22 incorporated herein as Exhibit A, it is hereby ordered that the California Deferred Deposit  
23 Transaction license issued to Respondent is suspended for a period of four consecutive weeks as  
24 follows: February 2, 2009 through February 27, 2009 during which Respondent shall not conduct any  
25 deferred deposit transactions.

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27 Pursuant to the terms of the Settlement Agreement, Respondent admits the following for  
28 purposes of this Order and any future proceedings initiated by or brought before the California  
Corporations Commissioner only:

1           1. The California Corporations Commissioner (“Commissioner”) issued to Respondent a  
2 deferred deposit transaction originator license pursuant to the California Deferred Deposit  
3 Transaction Law (“CDDTL”) set forth in California Financial Code section 23000 et seq.

4           2. Respondent has its place of business at 2400 Newport Blvd., Suite A-5, Costa Mesa,  
5 California 92627.

6           3. On September 12, 2007, the Commissioner’s examiner (“Examiner”) conducted an  
7 examination of Respondent’s business location (“Examination”).

8           4. The Examination revealed that Respondent violated numerous provisions of the CDDTL.

9           5. During the Examination, the Examiner notified Respondent that Respondent made loans  
10 where the checks exceeded \$300. In violation of Financial Code section 23035(a), Respondent made  
11 16 loans where the checks exceeded \$300.00 totaling \$7,190.25.

12           6. The Examination also disclosed that a fee in excess of the 15% of the face amount of the  
13 check was charged for deferred deposit transactions. In violation of Financial Code section 23036(a),  
14 Respondent charged customers excess finance fees on 16 loans in excess of the 15% of the face  
15 amount of the check. The excess fees charged totaled \$766.25, and the excess fees collected totaled  
16 \$723.75. Respondent was notified during the Examination and asked to refund the noted customers  
17 the excess fees charged and provide the Commissioner with proof of the refunds.

18           7. Fifteen (15) loans were in violation of Financial Code sections 23035(a) and 23036(a). In  
19 addition, one loan was in violation of Financial Code section 23035(a); and another loan was in  
20 violation of Financial Code section 23036(a). Thus, seventeen (17) loans were in violation of  
21 Financial Code sections 23035(a) and 23036(a).

22           8. The Examination also revealed violations of Financial Code section 23036(c). Respondent  
23 entered into deferred deposit transactions with two customers while the same two customers had two  
24 outstanding loans. The Examination revealed that the two customers had multiple loans from August  
25 16, 2005 to October 23, 2007. The loans to the two customers totaled \$1,200.00. Two (2) loans were  
26 in violation of section 23036(c).

27           9. In violation of Financial Code section 23026 and California Code of Regulations section  
28 2030, Respondent filed false annual reports for the calendar years 2005, 2006 and 2007. Respondent

1 reported the maximum loan amount made was \$255.00, when in fact the maximum loan exceeded  
2 \$300.00 in each of the years.

3 10. The above constitutes grounds under Financial Code section 23052 for the suspension of  
4 Respondent's CDDTL license.

5 THEREFORE, it is hereby ordered that Check Mark Enterprises' deferred deposit  
6 transaction license is hereby suspended for four (4) consecutive weeks commencing on February 2,  
7 2009 through February 27, 2009. This order is effective as of the date hereof.

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10 January 21, 2009  
11 Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

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By: \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel

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