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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.: 100-2527; 100-2528; 100-2529; &
CALIFORNIA CORPORATIONS) 100-2530
12 COMMISSIONER,)
13) STATEMENT OF ISSUES
Complainant,)
14)
15 vs.)
16 SAVERIO LANNI doing business as CHECK)
EXCHANGE,)
17)
18 Respondent.)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 I
23 INTRODUCTION

24 The proposed orders seek to deny the issuance of deferred deposit transaction licenses to
25 Saverio Lanni, an individual, doing business as Check Exchange ("Lanni") pursuant to California
26 Financial Code section 23011(a)(3) in that Lanni has committed numerous violations of the
27 California Deferred Deposit Transaction Law ("CDDTL").
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II

THE APPLICATIONS

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3 On March 14, 2005, Lanni filed four (4) applications for deferred deposit transaction licenses
4 (File Nos. 100-2527; 100-2528; 100-2529; and 100-2530 hereinafter "applications") with the
5 California Corporations Commissioner ("Complainant" or "Commissioner") pursuant to the CDDTL
6 (Financial Code sections 23000 *et. seq.*), in particular, California Financial Code section 23005. The
7 applications were for locations situated at 14050 Cherry Avenue, Suite M, Fontana, California
8 92337; 43384 E. Florida Avenue, Suite F, Hemet, California 92544; 1015 E. Florida Avenue,
9 Hemet, California 92544; and 2148 ½ W. Lomita Boulevard, Lomita, California 90717.

III

DEFERRED DEPOSIT TRANSACTION LAW VIOLATIONS

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12 On or about May 16, 2005, the Commissioner commenced an examination of Lanni to
13 determine if Lanni was engaging in unlicensed deferred deposit transaction business. The
14 examination revealed that Lanni had originated at least 2,583 deferred deposit transactions from
15 January 1, 2005 through at least June 3, 2005 in violation of California Financial Code section
16 23005.

17 Lanni was specifically aware that a CDDTL license was required in order to engage in
18 the business of deferred deposit transactions as Lanni had received a written notice to this effect
19 from the Commissioner on or about February 8, 2005. The February 8, 2005 letter specifically
20 informed Lanni that he could not engage in the business of deferred deposit transactions unless
21 and until he obtained a CDDTL license(s) from the Commissioner.

22 Moreover, as noted above, Lanni had applied with the Commissioner for four (4) CDDTL
23 licenses on March 14, 2005. On or about April 12, 2005, the Commissioner issued a deficiency
24 letter to Lanni regarding his applications. This April 12, 2005 letter was sent to Lanni again via
25 facsimile on or about May 16, 2005. The April 12, 2005 letter again reiterated to Lanni that he
26 could not engage in the business of deferred deposit transactions unless and until he obtained a
27 CDDTL license(s) from the Commissioner.

28 On or about June 7, 2005, Lanni was notified by the Commissioner to cease engaging in

1 the business of deferred deposit transactions unless and until he obtained a CDDTL license(s)
2 from the Commissioner. Notwithstanding numerous written and oral notifications regarding
3 licensure, Lanni has stated that he will continue to engage in the business of deferred deposit
4 transactions.

5 IV

6 CONCLUSION

7 Complainant finds, by reason of the foregoing, that:

- 8 (1) Lanni has committed over 2,000 violations of the CDDTL;
- 9 (2) Lanni is incapable of operating his business in compliance with the CDDTL as
10 demonstrated by his flagrant and continuous pattern of violations; and
- 11 (3) It is in the best interests of the public to deny Lanni’s applications for CDDTL
12 licenses.

13 California Financial Code section 23011 provides in pertinent part:

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

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

21 THEREFORE, Complainant asserts that he is justified under California Financial Code
22 section 23011(a)(3) in denying Lanni’s applications for CDDTL licenses.

23 WHEREFORE IT IS PRAYED that the applications for CDDTL licenses filed by Lanni on
24 March 14, 2005 be denied.

25 Dated: June 29, 2005

26 Los Angeles, CA

27 WAYNE STRUMPFER

28 Acting California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel