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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: NLS Cash Advance
2419 Kirkwood Highway
Wilmington, Delaware 19805

DESIST AND REFRAIN ORDER

(For violations of section 23005 of the California Financial Code)

The California Corporations Commissioner finds that:

1. At all relevant times herein, NLS Cash Advance (“NLS) is, or was, an entity whose legal status is unknown. NLS originates or offers payday loans to California residents over the Internet through Internet-based companies that purportedly match borrowers to lenders.
2. NLS engages in the business of originating, or offering to originate deferred deposit transactions (commonly referred to as “payday loans”) over the Internet to the general public, including California residents.
3. A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check, and it is agreed that the personal check would not be deposited until a later date. “Personal check” referenced in Financial Code section 23001 includes “the electronic equivalent of a personal check”.
4. Since at least March 3, 2008, and continuing thereafter, NLS has originated or offered to originate deferred deposit transactions to at least one California resident. Under NLS Internet-based deferred deposit transactions, the borrower provides details of his or her checking account, which s/he authorizes the lender to debit electronically on the due date.
5. NLS originated a deferred deposit transaction with a California resident, which authorized NLS to electronically debit the borrower’s accounts by means of an Automated Clearing House with the loan amount, fees and charges, on the due date.

