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

TO: Midland Financial, L.L.C.
Midland Marketing
3-Midland Market Payday Loan Company
Midland Market Company

1170 S.W. Arbormill Terrace
Lees Summit, MO 64082-4163

and

P.O. Box 901795
Kansas City, MO 64153

DESIST AND REFRAIN ORDER

(For violations of California Financial Code sections 23005, 23035, 23036)

1. The California Corporations Commissioner (“Commissioner”) finds that Midland Financial, L.L.C., which appears to do business as Midland Marketing, 3-Midland Market Payday Loan Company and Midland Market Company, (hereinafter “Midland”) is based in Missouri.

2. The Commissioner of the Department of Corporations (“Department”) is responsible for enforcing the California Deferred Deposit Transaction Law (“CDDTL”) in California Financial Code sections 23000 *et seq.* The Commissioner has not issued a license to Midland to engage in the business of deferred deposit transactions and Midland is not exempt from the licensing requirement of the CDDTL.

3. Midland has engaged in the business of deferred deposit transactions by offering, originating and making deferred deposit transactions as described below.

4. 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 shall not be deposited until a later date. These loans are sometimes referred to as “payday advances” or “payday loans.”

1 5. Midland solicited California consumers offering them loans at an annual percentage
2 rate of over 700% that are “refinanced on every due date unless you notify us of your desire to pay
3 in full or to pay down your principle amount borrowed.” Midland uses the toll-free phone number
4 (800) 783-4936 and facsimile number (866) 408-3052.

5 6. Without making the required disclosures to the consumer required by California
6 Financial Code section 23036, Midland arranged for an electronic deposit into the consumer’s
7 bank account of the loan funds. Midland also required the consumer to give them access to
8 withdraw funds from the consumer’s bank account.

9 7. Thereafter, Midland attempted to perpetually withdraw a \$90 “service fee.”
10 Midland’s successive withdrawals of \$90 from a consumer’s account resulted in fees greatly
11 exceeding the amount of the loan. One consumer’s loan of \$250 required repayment of a total of
12 \$1285. Midland’s successive withdrawals of funds from the consumer’s bank account were in
13 amounts that exceeded the statutory limits and violated California Financial Code section 23036.

14 8. When a consumer objected to Midland’s successive withdrawals of funds from his or
15 her bank account, Midland failed to respond to them and the consumer found it necessary to
16 close his or her respective bank account to prevent further unauthorized withdrawals by Midland.

17 9. Midland engaged in deferred deposit business without a license from the
18 Commissioner and engaged in deferred deposit transactions that violated various statutory
19 provisions of the CDDTL, including failing to make the required disclosures and charging
20 excessive fees in violation of California Financial Code sections 23035 and 23036.

21 By reason of the foregoing, Midland Financial L.L.C., Midland Marketing, 3-Midland
22 Market Payday Loan Company and Midland Market Company have engaged in the business of
23 deferred deposit transactions without having first obtained a license from the Commissioner and
24 have engaged in deferred deposit transactions in violation of California Financial Code sections
25 23005, 23035, and 23036.

26 California Financial Code section 23050 states:

27 Whenever, in the opinion of the commissioner, any person is engaged in
28 the business of deferred deposit transactions, as defined in this division,
 without a license from the commissioner, or any licensee is violating any

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provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Pursuant to Financial Code section 23050, Midland Financial, L.L.C., Midland Marketing, 3-Midland Market Payday Loan Company and Midland Market Company are hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California without licensure or exemption in violation of California Financial Code section 23005 and to desist and refrain from violations of California Financial Code sections 23035 and 23036.

This Order is necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

Dated: October 23, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division