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

Allied Cash Advance California, LLC dba Allied Cash Advance
File # 100-1854 and 40 locations
7955 NW 12th Street, Suite 300
Doral, FL 33126

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the California Corporations Commissioner (“Commissioner”) and Allied Cash Advance California, LLC dba Allied Cash Advance, (the “Parties”) and is made with respect to the following facts:

RECITALS

A. The Commissioner of the Department of Corporations (“Department”) is responsible for enforcing the California Deferred Deposit Transaction Law (“CDDTL”) set forth in California Financial Code section 23000 *et seq.* The Commissioner issues CDDTL licenses to engage in the business of deferred deposit transactions pursuant to California Financial Code section 23005. 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 transactions are sometimes referred to as “payday advances” or “payday loans.” The Department is responsible for enforcing provisions of the CDDTL and authorized to pursue a variety of administrative actions and remedies against licensees who violate it.

B. Allied Cash Advance California, LLC does business as Allied Cash Advance (“Allied Cash”). Allied Cash is licensed by the Commissioner and has multiple locations throughout California. The file numbers for Allied Cash include the following: 100-1854 through 100-1856, 100-1858 through 100-1881, 100-1883, 100-1884; 100-2199, 100-2551 through 100-2553, 100-2652, 100-2653, 100-2706 through 100-2708, 100-3176, 100-3177 and 100-3611.

1 Allied Cash is subject to regulatory examinations pursuant to the CDDTL’s licensing
2 requirements.

3 C. Since at least 2004, Allied Cash has engaged in the business of deferred deposit
4 transactions by offering, originating and making deferred deposit transactions. A deferred deposit
5 transaction is a written transaction whereby one person gives funds to another person upon receipt
6 of a personal check and it is agreed that the personal check shall not be deposited until a later
7 date. These transactions are sometimes referred to as “payday advances” or “payday loans.”

8 D. Allied Cash advertised their payday loans to California consumers from its licensed
9 locations and websites.

10 E. Allied Cash has access to consumers accounts to withdraw funds to repay Allied Cash
11 on the due date of the deferred deposit transaction.

12 F. A regulatory examination that commenced on February 17, 2009, disclosed facts
13 (referred hereinafter as “regulatory examination findings”) that Allied Cash charged excessive
14 amounts aggregating approximately \$11,000. The excessive amounts resulted from Allied Cash
15 charging multiple Non-Sufficient Funds (“NSF”) fees totaling \$840 on 56 deferred deposit
16 transactions, and collecting unauthorized NSF fees totaling \$255 on 17 deferred deposit
17 transactions. Allied Cash also collected excess amounts totaling \$9,840.13 on 48 deferred
18 deposit transactions by either depositing the customers' checks into the bank for repayment of the
19 loans, then accepting cash payments from the customers or accepting partial payments from the
20 customers, then depositing the customers’ checks. The Department directed Allied Cash to cease
21 these violations and refund the excess amounts. In October 2010, Allied Cash falsely reported to
22 the Department that it had made the necessary refunds. Additionally, Allied Cash failed to take
23 corrective action to prevent the violations from continuing and failed to provide proof of refunds
24 that had been made as requested during the previous regulatory examination.

25 G. A subsequent regulatory examination started in November 2010 revealed findings
26 that Allied Cash from at least February 17, 2009, through at least March 9, 2011, collected excess
27 amounts or excess NSF fees totaling \$146,968.74 on 609 deferred deposit transactions by
28 electronically debiting the customers' bank accounts for repayment of the loans, then accepting

1 cash payments from the customers. During the same period, Allied Cash collected excess amounts
2 or excess NSF fees totaling \$82,742.36 on 337 deferred deposit transactions by depositing the
3 customers' checks into the bank for repayment of the loans, then accepting cash payments from the
4 customers. Allied Cash refunded the excess amounts collected from 946 customers totaling
5 \$229,711.10. The books and records of Allied Cash disclosed 61 deferred deposit transactions
6 appeared to have excess amounts collected, but the records were not sufficient to determine the
7 amount of the overcharges and if any overcharges had been refunded to the customers. After the
8 regulatory examination in February 2009, Allied Cash continued to violate Financial Code sections
9 23024, 23035 and 23036.

10 H. After the February 17, 2009 regulatory examination Allied Cash failed to pay 72
11 identified consumers' refunds totaling \$3,709.29. After the November 2010 regulatory
12 examination Allied Cash failed to determine if 61 identified consumers have been refunded any
13 amount Allied Cash overcharged them.

14 I. Allied Cash engaged in deferred deposit transactions that the Commissioner alleged
15 violated various statutory provisions of the CDDTL including lack of the requisite disclosures,
16 charging excessive fees and failure to maintain adequate books and records in violation of
17 California Financial Code sections 23024, 23035 and 23036.

18 J. By reason of the foregoing, the Commissioner believed Allied Cash has engaged in the
19 business of deferred deposit transactions in violation of California Financial Code sections 23024,
20 23035 and 23036.

21 K. Pursuant to Financial Code section 23050, on July 29, 2011, the Commissioner
22 ordered Allied Cash Advance California, LLC doing business as Allied Cash Advance to desist
23 and refrain from violations of Financial Code sections 23024, 23035 and 23036, ordered it to pay
24 72 identified consumers refunds totaling \$3,709.29 and ordered it to determine if 61 identified
25 consumers have received refunds.

26 L. For the 72 violations of Allied Cash discovered during the Department's regulatory
27 examinations, the Commissioner issued Citations 1 through 72, inclusive. The Citations were
28 issued for overcharging consumers pursuant to Financial Code section 23058.

1 M. Pursuant to Financial Code section 23058, Allied Cash Advance California, LLC
2 doing business as Allied Cash Advance was ordered to pay to the Commissioner within 30 days
3 from the date, as shown below, for these Citations, an administrative penalty of two thousand five
4 hundred dollars (\$2,500) for each of the 72 citations for a total amount of one hundred eighty
5 thousand dollars (\$180,000).

6 N. In an effort to avoid costly and protracted litigation, it is the Parties' intention to
7 resolve the CDDTL regulatory examination findings without an administrative hearing or other
8 litigation. Allied Cash agrees to desist and refrain from any violation of Financial Code sections
9 23024, 23035 and 23036 and understands the Department's Desist and Refrain Order shall
10 remain in full force and effect until further order of the Commissioner.

11 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions
12 set forth herein, the parties agree as follows:

13 **TERMS AND CONDITIONS**

14 1. Purpose. The purpose of this Agreement is to resolve the Citations for the alleged
15 violations expeditiously, avoid the expense of a hearing, and possible further court proceedings.

16 2. Waiver of Hearing Rights. Allied Cash Advance California, LLC dba Allied
17 Cash Advance acknowledges its right to a hearing under the CDDTL in connection with the
18 Desist and Refrain Order and Citations and hereby waives the right to a hearing, and to any
19 reconsideration, appeal, or other right to review which may be afforded pursuant to the CDDTL,
20 the California Administrative Procedure Act ("APA"), found in Government Code section 11500
21 *et seq.*, the California Code of Civil Procedure, or any other provision or law, and by waiving
22 such rights, consents to the agreement becoming final.

23 3. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that
24 it has received or been advised to seek independent legal advice from its attorneys with respect to
25 the advisability of executing this Settlement Agreement.

26 4. No Admission of Liability. This Settlement Agreement constitutes the settlement
27 of CDDTL disputed claims. Allied Cash neither admits nor denies that it has acted in any
28 improper or illegal manner and denies the allegations of the regulatory examination findings.

1 The parties enter into this Settlement Agreement solely for the limited purpose of resolving the
2 prior CDDTL regulatory examination findings as well as any future proceeding(s) that may be
3 initiated by, or brought before, the Commissioner related to the Department’s prior CDDTL
4 regulatory examination findings. The parties agree that this Settlement Agreement does not and
5 shall not constitute or be deemed to be an admission or evidence of any violation of statute,
6 regulation or liability or wrongdoing by Allied Cash, or the proper scope of liability under any
7 statute or law, or the truth of any allegation or finding in the prior CDDTL regulatory
8 examination findings. Nothing contained herein may be admitted in any court, administrative
9 tribunal, or elsewhere as evidence of Allied Cash’s liability for any of the allegations asserted in
10 the Department’s prior CDDTL regulatory examination findings.

11 5. Citations. Allied Cash hereby agrees to make payment of \$100,000 to the
12 Department for the citations ordered in paragraph M of the above recitals, (hereinafter, “Citation
13 Payment”). The Citation Payment is in settlement of the amount sought in the Commissioner’s
14 enforcement action titled Desist and Refrain Order and Citations, which issued on July 29, 2011.
15 The Citation Payment is unrelated to any other CDDTL assessment, bill, fee or regulatory
16 examination invoice that may be or has been assessed by the Department’s Financial Services
17 Division. The Citation Payment is due on or before 12:00 p.m. noon Pacific Daylight Savings
18 Time on August 29, 2011. If the Citation Payment is not timely made, then the full amount of
19 the Citations of \$180,000 originally ordered on July 29, 2011, shall become immediately due and
20 payable. Furthermore, if the Citation Payment is not received the Commissioner may proceed
21 under Financial Code section 23058(e) for the issuance of a judgment and order. The Citation
22 Payment shall be payable to the “Department of Corporations” and delivered to the attention of
23 Complainant’s counsel who will thereafter acknowledge receipt of the Citation Payment.

24 6. Customer Refunds. Allied Cash agrees to refund the consumers identified in the
25 prior regulatory examinations set forth in paragraph K of the above recitals. Allied Cash hereby
26 agrees to refund all amounts to their customers referenced in this section within 10 days of the
27 date of this Agreement. Any amounts remaining unclaimed by customers, shall escheat to the
28 State of California pursuant to the California Code of Civil Procedure, Title 10, Chapter 5.

1 7. Future Actions by the Commissioner. The Commissioner reserves the right to bring
2 any action against Allied Cash or any of their parent corporations or holding companies, partners,
3 owners, employees or successors (collectively, the “Allied Cash Group”) for any and all unknown or
4 future violations of the CDDTL. However, this Settlement Agreement resolves and discharges the
5 Allied Cash of any further enforcement action, citation, discipline or other punitive conduct that
6 could have been brought by the Commissioner arising out of or relating to the prior regulatory
7 examination findings and this Settlement Agreement so long as Allied Cash is in compliance with
8 this Settlement Agreement. If Allied Cash fails to make any payments to the Commissioner or offer
9 refunds to the consumers referred to in this agreement, failure to do so shall be a breach of this
10 Settlement Agreement and shall be cause for the Commissioner to revoke or deny, respectively any
11 Department license or any pending applications of Allied Cash or their successors and assigns, by
12 whatever name it might be known or take further action as appropriate.

13 8. Failure to Make Customer Refunds. Allied Cash acknowledges that within 10
14 days of the execution date of this Agreement it will offer to make refunds to the consumers
15 referred to in paragraph 6 above, if they have not already done so, and that failure to do so shall
16 be a breach of this Agreement and shall be cause for the Commissioner to revoke or deny, or
17 take further appropriate action, respectively, any Department of Corporations license or any
18 pending application of Allied Cash or their successors and assigns, by whatever name it might
19 be known. Respondent waives any notice and hearing rights to contest such revocations or
20 denials, which may be afforded under the Financial Code, The APA, the Code of Civil
21 Procedure, or any other legal provisions.

22 9. Settlement Agreement Coverage.

23 The parties hereby acknowledge and agree that this Settlement Agreement is intended to
24 constitute a full, final and complete resolution of violations documented in the CDDTL
25 regulatory examination findings. The parties further acknowledge and agree that this
26 Settlement Agreement shall not operate to limit the Commissioner’s ability to assist any other
27 agencies with any prosecution, administrative, civil or criminal, brought by any such agency
28 against Allied Cash based upon any of the activities alleged in this matter or otherwise. Each of

1 the parties represents, warrants, and agrees that in executing this Settlement Agreement it has
2 relied solely on the statements set forth herein and the advice of its own counsel and has placed
3 no reliance on any statement, representation, or promise of any other party, or any other person
4 or entity not expressly set forth herein, or upon the failure of any party or any other person to
5 make any statement, representation or disclosure of anything whatsoever. The parties have
6 included this clause: (1) to preclude any claim that any party was in any way fraudulently
7 induced to execute this Settlement Agreement; and (2) to preclude the introduction of parol
8 evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

9 10. Full Integration. This Settlement Agreement is the final written expression and
10 the complete and exclusive statement of all the agreements, conditions, promises,
11 representations, and covenants between the parties with respect to the subject matter hereof, and
12 supersedes all prior or contemporaneous agreements, negotiations, representations,
13 understandings, and discussions between and among the parties, their respective representatives,
14 and any other person or entity.

15 11. No Presumption from Drafting. In that the parties have had the opportunity to draft,
16 review and edit the language of this Settlement Agreement, no presumption for or against any party
17 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
18 relating to, connected to or involving this Settlement Agreement. Accordingly, the parties waive the
19 benefit of California Civil Code section 1654 and any successor or amended statute, providing that
20 in cases of uncertainty, language of a contract should be interpreted most strongly against the party
21 who caused the uncertainty to exist.

22 12. Effective Date. This Settlement Agreement shall not become effective until signed
23 and delivered by all parties.

24 13. Counterparts. This Settlement Agreement may be executed in any number of
25 counter-parts by the parties, and when each party has signed and delivered at least one such
26 counter-part to the other party, each counter-part shall be deemed an original and taken together
27 shall constitute one and the same Settlement Agreement.

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1 14. Modifications and Qualified Integration. No amendment, change or modification
2 of this Settlement Agreement shall be valid or binding to any extent unless it is in writing and
3 signed by both of the parties.

4 15. Headings and Governing Law. The headings to the paragraphs of this Settlement
5 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the
6 construction or interpretation of the provisions hereof. This Settlement Agreement shall be
7 construed and enforced in accordance with and governed by California law.

8 16. Authority for Settlement. Allied Cash covenants that it possesses all necessary
9 capacity and authority to sign and enter into this Settlement Agreement. Allied Cash warrants
10 and represents that it is fully entitled and duly authorized to enter into and deliver this Settlement
11 Agreement. In particular, and without limiting the generality of the foregoing, Allied Cash
12 warrants and represents that it is entitled to enter into the covenants, and undertake the obligations
13 set forth herein.

14 17. Public Record. Allied Cash acknowledges that this Settlement Agreement is a
15 public record.

16 18. Voluntary Agreement. Allied Cash represents and acknowledges that it is executing
17 this Settlement Agreement completely voluntarily and without any duress or undue influence of any
18 kind from any source.

19 19. Notices. Notice shall be provided to each party at the following addresses:
20

21 If to Allied Cash to: Allied Cash Advance California, LLC dba Allied Cash Advance
22 Attn: General Counsel
23 7955 NW 12th Street, Suite 300
24 Doral, FL 33126

25 If to the Commissioner to: Steven C. Thompson, Special Administrator
26 Department of Corporations
27 320 W. 4th Street, Suite 750
28 Los Angeles, CA 90013-2344

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IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

SIGNED AND AGREED TO:

Dated: August 15, 2011

PRESTON DUFAUCHARD
California Corporations Commissioner

By: _____
Alan S. Weinger, Deputy Commissioner

Dated: August 16, 2011

Allied Cash Advance California, LLC dba Allied Cash Advance,

By: _____
Tracy Parks, Chief Executive Officer

Approved as to form

Dated: August 16, 2011

By: _____
Maria T. Tran Esq. General Counsel
Allied Cash Advance California, LLC
dba Allied Cash Advance

8/17/2011

IT IS SO ORDERED:
PRESTON DUFAUCHARD
California Corporations Commissioner

By: _____
Alan S. Weinger, Deputy Commissioner

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