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

TO: Northway Broker Ltd., doing business as Cash Transfer Centers
Northway Financial Corporation Ltd.
Level 8, Plaza Commercial Centre
Bisazza Street
Sliema SLM15
Malta (European Union)

DESIST AND REFRAIN ORDER
(For violations of section 23005 of the California Financial Code)

The California Corporations Commissioner finds that:

1. Northway Broker Ltd. (“Northway Broker”) is, and was at all relevant times herein, a company of indeterminate origin with its principal place of business located at Level 8, Plaza Commercial Centre, Bisazza Street, Sliema SLM15, Malta, European Union, doing business as Cash Transfer Centers.

2. Northway Financial Corporation Ltd. (“Northway Financial”) is, and was at all relevant times herein, a company of indeterminate origin with its principal place of business located at Level 8, Plaza Commercial Centre, Bisazza Street, Sliema SLM15, Malta, European Union.

3. Northway Broker and Northway Financial engage 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.

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 would not be deposited until a later date. “Personal check” referenced in Financial Code section 23001 includes “the electronic equivalent of a personal check”.

5. During 2008, Northway Broker and Northway Financial originated a deferred deposit transaction with at least one California resident through the website, www.cashtransfercenters.com, which authorized Northway Broker and Northway Financial to electronically debit the borrower’s

1 account by means of an Automated Clearing House with the loan amount, fees and charges, on the
2 due date.

3 6. Northway Broker and Northway Financial have not been issued a license by the
4 California Corporations Commissioner authorizing it to engage in the business of originating deferred
5 deposit transactions under the California Deferred Deposit Transaction Law (California Financial
6 Code § 23000 et seq.).

7 7. Northway Broker and Northway Financial are not exempt from the licensing
8 requirements of California Financial Code section 23005.

9 8. By reason of the foregoing, Northway Broker and Northway Financial have engaged
10 in the business of originating or offering to originate deferred deposit transactions without having
11 first obtained a license from the California Corporations Commissioner in violation of California
12 Financial Code section 23005.

13 Pursuant to California Financial Code section 23050, Northway Broker Ltd., doing business
14 as Cash Transfer Centers and Northway Financial Corporation Ltd., are hereby ordered to desist and
15 refrain from engaging in the business of deferred deposit transactions, including but not limited to,
16 originating or offering to originate deferred deposit transactions in the State of California without first
17 obtaining a license from the California Corporations Commissioner, or otherwise being exempt. This
18 Order is necessary, in the public interest, for the protection of consumers and is consistent with the
19 purposes, policies and provisions of the California Deferred Deposit Transaction Law. This order
20 shall remain in full force and effect until further order of the Commissioner.

21 California Financial Code section 23050 provides:

22 Whenever, in the opinion of the commissioner, any person is engaged in the
23 business of deferred deposit transactions, as defined in this division, without
24 a license from the commissioner. . . the commissioner may order that person
25 or licensee to desist and to refrain from engaging in the business 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.

26 Dated: August 27, 2008
27 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

28 By _____
ALAN S. WEINGER, Acting Deputy Commissioner