

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of February 25, 2008, by and between the Complainant, the California Corporations Commissioner ("Commissioner"), and Respondents, James W. Yarbrough and Janet Applegarth-Yarbrough doing business as Cash It Now ("Cash It Now") (hereinafter collectively "the Parties").

RECITALS

This Agreement is made with reference to the following facts:

- A. Cash It Now is the fictitious business name for a general partnership consisting of James W. Yarbrough and Janet Applegarth-Yarbrough. Cash It Now has its principal place of business located at 2664 Gateway Drive, Anderson, California 96007.
- B. James W. Yarbrough and Janet Applegarth-Yarbrough are the only partners of Cash It Now and are authorized to enter into this Agreement on behalf of Cash It Now, their general partnership.
- C. Cash It Now holds license numbers 100-2332 from the Commissioner under the California Deferred Deposit Transaction Law ("CDDTL") pursuant to California Financial Code sections 23005, 23008 and 23009.
- D. On October 25, 2007, the Commissioner issued an Accusation to Respondents for violations of California Financial Code 23000 et seq., served to Respondents on October 30, 2007. On February 19, 2008, the Commissioner issued an Amended Accusation ("Amended Accusation") served to Respondents on February 20, 2008, a copy of which is attached and incorporated herein as Exhibit 1.
- E. It is the intention of the parties to resolve this matter without the necessity of an administrative hearing or other litigation.

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

TERMS AND CONDITIONS

1. **Purpose.** The purpose of this Agreement is to resolve the Amended Accusation expeditiously, avoid the expense of a hearing, and possible further court proceedings.
2. **Waiver of Hearing Rights.** Respondents acknowledge their right to a hearing under the CDDTL in connection with the Amended Accusation and hereby waive that right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CDDTL, the California Administrative Procedure Act ("APA"), the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consent to the agreement becoming final.

3. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from its attorneys with respect to the advisability of executing this Agreement. Respondents acknowledge that they consulted with attorney Michael Fitzpatrick, prior to entering into this Agreement.

4. Admissions. Respondents admit the FACTS stated below Roman numeral I. in the Amended Accusation, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner or other agencies against Respondents. It is the intent and understanding between the parties that this Agreement, and particularly the admissions of Respondents herein, shall not be binding or admissible against them in any action(s) with third parties.

5. Suspension. Respondents hereby agree to the issuance by the Commissioner of an Order Suspending Respondents' CDDTL license pursuant to Financial Code section 23052 ("Suspension"). This suspension precludes Respondents from engaging in any CDDTL activities during the suspension period beginning March 10, 2008. Respondents agree to refrain from all CDDTL transactions including any with existing clients while suspended. This suspension does not preclude Respondents from engaging in pure collection activities that permit: (1) receipt of cash from customers for existing transactions entered into before March 10, 2008, (2) forwarding any checks received from Respondents' clients to Respondents' bank for deposit relating to transactions entered into before March 10, 2008, (3) responding to regulatory inquiries from the Department of Corporations or other agencies, (4) making refunds described in paragraph 6 below and (5) otherwise responding to customer inquiries concerning existing transactions. The suspension of the CDDTL license will remain in effect until July 10, 2008, subject to an extension of time under certain circumstances as set forth in this agreement. A copy of the Suspension is attached as Exhibit 2 and incorporated herein by reference.

6. Voiding of Transactions. Respondents hereby agree to void the transactions described in the Amended Accusation and to immediately refund all amounts to Respondents' clients that they paid to the Shasta County Office of the District Attorney ("DA"). Respondents agree to refund \$9,607.30 plus an additional \$88 paid by each client who participated in the DA's Bad Check Program and made payments to the DA's Office. Any amounts remaining unclaimed by clients on July 1, 2008, shall escheat to the State of California.

7. Citations. Respondents hereby agree to pay to the Commissioner fifty thousand dollars (\$50,000) for the Citations ("Citation Payment") on or before March 10, 2008. If payment is not received by March 10, 2008, then the length of the suspension described in paragraph 5. above shall be extended by one week for each day the Citation Payment is overdue and unpaid. If Respondents fail to make total payment by April 1, 2008, then the total amount of Citations ordered in the Amended Accusation are immediately due and payable to the Department. Respondents' Citation Payment shall be payable to the California Department of Corporations and delivered to the Department of Corporations' San Francisco Office to the attention of the Complainant's Enforcement counsel Joan Kerst who will timely provide a document to Respondents that acknowledges the Department's receipt of the Citation Payment.

8. Future Actions by the Commissioner. The Commissioner reserves the right to bring any future actions against Respondents or any of their partners, owners, employees or successors of Respondents for any and all unknown or future violations of the CDDTL. This Agreement shall not serve to exculpate Respondents or any of the partners, owners, employees or successors of Respondents from liability for any and all unknown or future violations of the CDDTL. If it is found, after the execution of this Agreement and Suspension that Respondents have at any time during the Suspension period violated any of the statutes and/or rules set forth in the Amended Accusation or Agreement, the Commissioner reserves the right to take further action against Respondents, including but not limited to, imposing penalties and requesting restitution of all CDDTL transactions originated in breach of this Agreement. Respondents acknowledge and agree that the Suspension provided for above in paragraph 5 shall not be the exclusive remedy available to the Commissioner in pursuing future violations but may be sought and employed in addition to any other remedy available pursuant to the CDDTL.

9. Failure to Make Consumer Refunds. Respondents acknowledge that during the month of March 2008 they will offer to make refunds to consumers and that failure to do so shall be a breach of this Agreement and shall be cause for the Commissioner to revoke or deny, respectively, any Department of Corporations license or any pending application of Respondents and any company owned or controlled by the Yarbroughs, their successors and assigns, by whatever names they might be known. Respondents waive any notice and hearing rights to contest such revocations or denials, which may be afforded under the Financial Code, the APA, the Code of Civil Procedure, or any other legal provisions.

10. Settlement Agreement Coverage. The parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of this Amended Accusation. The parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Respondents based upon any of the activities alleged in this matter or otherwise. This Agreement shall not become effective until signed by Respondents and delivered by all parties. Each of the parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

11. Full Integration. This Agreement, including the attached Amended Accusation is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supercedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity.

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

13. Effective Date. This Agreement shall not become effective until signed by Respondents and delivered by all parties. The Commissioner shall file this Agreement with the Office of Administrative Hearings five days after execution by the parties.

14. Counterparts. This Agreement may be executed in any number of counter-parts by the Parties and when each Party has signed and delivered at least one such counterpart to the other Party, each counterpart shall be deemed an original and taken together shall constitute one and the same Agreement.

15. Modifications and Qualified Integration. No amendment, change or modification of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the parties affected by it.

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

17. Authority For Settlement. Each Respondents covenant that they possess all necessary capacity and authority to sign and enter into this Agreement. Each Party warrants and represents that such Party is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each Party warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

18. Public Record. Respondents acknowledge that this Agreement is a public record.

19. Voluntary Agreement. The Parties each represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

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

If to Respondents to: Fitzpatrick Law Offices Attn: Michael Fitzpatrick, Esq.
1135 Pine Street, Suite 107, Redding, California 96049

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

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

Dated: 3/5/08

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

JAMES W. YARBROUGH dba CASH IT NOW

Dated: _____

By _____
JAMES W. YARBROUGH
Partner

Dated: _____

By _____
JAMES W. YARBROUGH
an individual

JANET APPLGARTH-YARBROUGH dba CASH IT NOW

Dated: _____

By _____
JANET APPLGARTH-YARBROUGH
Partner

Dated: _____

By _____
JANET APPLGARTH-YARBROUGH
Individual

Dated: _____

Approved as to form by Respondents' counsel

By _____
Michael Fitzpatrick, Esq.
Fitzpatrick Law Offices

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

Dated: _____

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

JAMES W. YARBROUGH dba CASH IT NOW

Dated: 3-6-08

By _____
JAMES W. YARBROUGH
Partner

Dated: 3-6-08

By _____
JAMES W. YARBROUGH
an individual

JANET APPLGARTH-YARBROUGH dba CASH IT NOW

Dated: 3-6-08

By _____
JANET APPLGARTH-YARBROUGH
Partner

Dated: 3-6-08

By _____
JANET APPLGARTH-YARBROUGH
Individual

Dated: 3-6-08

Approved as to form by Respondents' counsel

By _____
Michael Fitzpatrick, Esq
Fitzpatrick Law Offices