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

TO: Government Employees Credit Center, Inc.
300 Creek View Road, Suite 204
Newark, Delaware 19711

DESIST AND REFRAIN ORDER

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

On January 7, 2009, the Commissioner issued a Desist and Refrain Order (“January 7, Order”), against Government Employees Credit Center, Inc., (“GECC”), Vincent Keith Ney (“NEY”), and Cash Direct Express (“CDE”) for violations of section 23005 of the California Financial Code. This Order supersedes the January 7, 2009 Order only as to GECC.

On February 6, 2009, the Commissioner received a letter from GECC requesting a hearing on the January 7, Order. No written request for a hearing was submitted on behalf of NEY and CDE. On February 19, 2009, the Commissioner requested that the Office of Administrative Hearings set the matter for hearing. A hearing was not held within thirty days of GECC’s written request for a hearing in accordance with section 23050 of the California Financial Code. Pursuant to California Financial Code section 23050, the January 7, Order is hereby rescinded as to GECC. The January 7, Order remains in effect in all other respects as to NEY and CDE.

As the January 7, Order to GECC was rescinded by operation of law under section 23050 of the California Financial Code and not on the merits, and good cause appearing, and for the protection of consumers, the California Corporations Commissioner finds that:

1. At all relevant times herein, GECC is, or was, a Delaware corporation whose business address is 300 Creek View Road, Suite 204, Newark, Delaware, 19711.
2. At all relevant times herein, NEY is, or was, the president of GECC.
3. GECC 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.

1 4. A deferred deposit transaction is a written transaction whereby one person gives
2 funds to another person upon receipt of a personal check, and it is agreed that the personal check
3 would not be deposited until a later date. "Personal check" referenced in Financial Code section
4 23001 includes "the electronic equivalent of a personal check".

5 5. Since at least June 10, 2008, and continuing thereafter, GECC has originated or
6 offered to originate deferred deposit transactions to at least one California resident over the Internet
7 through Cash Direct Express' website at www.cashdirectexpress.com. Under GECC's Internet-
8 based deferred deposit transactions, the borrower provides details of his or her checking account,
9 which s/he authorizes the lender to debit electronically on the due date.

10 6. GECC originated a deferred deposit transaction with a California resident, which
11 authorized GECC to electronically debit the borrower's account by means of an Automated Clearing
12 House with the loan amount, fees and charges, on the due date.

13 7. GECC has not been issued a license by the California Corporations Commissioner
14 authorizing them to engage in the business of originating deferred deposit transactions under the
15 CDDTL.

16 8. GECC is not exempt from the licensing requirements of California Financial Code
17 section 23005.

18 10. By reason of the foregoing, GECC has engaged in the business of originating or
19 offering to originate deferred deposit transactions without having first obtained a license from the
20 California Corporations Commissioner in violation of California Financial Code section 23005.

21 Pursuant to California Financial Code section 23050, Government Employees Credit Center,
22 Inc., is hereby ordered to desist and refrain from engaging in the business of deferred deposit
23 transactions, including but not limited to, originating or offering to originate deferred deposit
24 transactions in the State of California without first obtaining a license from the California
25 Corporations Commissioner, or otherwise being exempt. This Order is necessary, in the public
26 interest, for the protection of consumers and is consistent with the purposes, policies and provisions
27 of the California Deferred Deposit Transaction Law. This order shall remain in full force and effect
28 until further order of the Commissioner.

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California Financial Code section 23050 provides

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner. . . the commissioner may order that person 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.

Dated: March 9, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel