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

4 **TO:** CHARLIE HINDS
5 HINDSCO, INC.
6 HINDSCO, INC. DBA CASH NOW SANTA ROSA
7 1420 Guerneville Road
8 Santa Rosa, California 95403

8 **DESIST AND REFRAIN ORDER**
9 **(For violations of California Financial Code section 23005)**

10 The California Corporations Commissioner finds that:

11 1. Charlie Hinds is, and was at all relevant times herein, an individual doing business as
12 Hindsco, Inc. dba Cash Now Santa Rosa. Charlie Hinds, Hindsco, Inc., and Hindsco Inc. dba
13 Cash Now Santa Rosa (all hereinafter referred to as “Hindsco”) have a place of business located
14 at 1420 Guerneville Road, Santa Rosa, California 95403.

15 2. The California Corporations Commissioner (“Commissioner”) of the Department
16 of Corporations (“Department”) has not issued a license to either Charlie Hinds, in his individual
17 name, or doing business as Hindsco, as an entity, to engage in the business of deferred deposit
18 transactions under the California Deferred Deposit Transaction Law (“CDDTL”) (California
19 Financial Code §§ 23000 et seq.).

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

22 4. A deferred deposit transaction is a written transaction whereby one person gives funds
23 to another person upon receipt of a personal check and it is agreed that the personal check shall
24 not be deposited until a later date. These loans are sometimes referred to as “payday loans.”

25 5. Hindsco is not exempt from the licensing requirements of California Financial Code
26 section 23005.

27 6. Hindsco was definitely aware that a CDDTL license was required to lawfully
28 engage in the business of deferred deposit transactions as Hindsco had received a notice about it.

1 On or about February 8, 2005, the Commissioner wrote to Hindsco informing it that licensure
2 was required to engage in CDDTL transactions. Hindsco responded to the Commissioner's
3 February 8th letter by a letter dated February 14, 2005, but not received by the Department until
4 February 24, 2005, that Hindsco was in the process of filing an application for a license. Over
5 three months elapsed before the Department received the June 8, 2005 application from Hindsco
6 for a CDDTL license. The Hindsco application was received only after Charlie Hinds had been
7 personally directed to cease making payday loans. On May 26, 2005, the Commissioner's
8 Corporations Examiner expressly directed Charlie Hinds and his company Hindsco to cease
9 deferred deposit business until a license was obtained. Both the Commissioner's
10 communications on February 8 and May 26, 2005, explicitly informed Hindsco that it could not
11 engage in the business of deferred deposit transactions unless and until he obtained a CDDTL
12 license from the Commissioner.

13 7. In response to the June 8, 2005 application form submitted by Hindsco for a CDDTL
14 license, the Commissioner sent to Hindsco on June 26, 2005, a deficiency letter regarding the
15 application, and again notified Hindsco that a person cannot engage in the business of deferred
16 deposit transactions after December 31, 2004, without a license from the Department.

17 8. During 2005 when the Commissioner's Corporations Examiners reviewed
18 Hindsco's records, they found Hindsco made 1,473 deferred deposit transactions during the
19 period from January 1, 2005 to June 11, 2005, and that Hindsco continued to engage in deferred
20 deposit transaction business until at least July 12, 2005.

21 9. On July 12, 2005, Charlie Hinds admitted to the Commissioner's examiners
22 that Hindsco continued to engage in the business of deferred deposit transactions over the
23 Internet and at Hindsco's location in Santa Rosa, California, but claimed he misunderstood the
24 directive from the Commissioner's examiner on May 26, 2005, to discontinue unlicensed
25 CDDTL activity. The Commissioner examiners' review of Hindsco's deferred deposit
26 transactions log reveals that from May 26, 2005 until June 11, 2005, Hindsco engaged in
27 deferred deposit transactions that violated various statutory provisions of the CDDTL by
28 charging excessive fees and limiting the rights of the borrowers to take actions against Hindsco.

1 10. No CDDTL license had ever been issued to Hindsco. Notwithstanding
2 numerous notifications regarding the licensure requirement, Hindsco willfully and knowingly
3 continues to engage in deferred deposit business without a license from the Commissioner.

4 By reason of the foregoing, Charlie Hinds, Hindsco, Inc., and Hindsco Inc. dba Cash
5 Now Santa Rosa have engaged in the business of deferred deposit transactions without having
6 first obtained a license from the Commissioner in violation of California Financial Code section
7 23005.

8 Pursuant to California Financial Code section 23050, Charlie Hinds, Hindsco, Inc., and
9 Hindsco Inc. dba Cash Now Santa Rosa are hereby ordered to desist and refrain from engaging in
10 the business of deferred deposit transactions in the State of California without first obtaining a
11 license from the Commissioner, or otherwise being exempt. This Order is necessary, in the
12 public interest, for the protection of consumers and is consistent with the purposes, policies and
13 provisions of the California Deferred Deposit Transaction Law. This Order shall remain in full
14 force and effect until further order of the Commissioner.

15 California Financial Code section 23050 provides in pertinent part:

16 Whenever, in the opinion of the commissioner, any person is engaged in
17 the business of deferred deposit transactions, as defined in this division,
18 without a license from the commissioner . . . the commissioner may order
19 that person or licensee to desist and to refrain from engaging in the
20 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.

21
22 Dated: August 3, 2005
23 Los Angeles, California

24 WAYNE STRUMPFER
25 Acting California Corporations Commissioner

26 By _____
27 STEVEN C. THOMPSON
28 Special Administrator
California Deferred Deposit Transaction Law