

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into as of March 5, 2009, by and between the Complainant, the California Corporations Commissioner (“Commissioner”), and Hindsco, Inc. dba Cash Now Santa Rosa and Charles Hinds, President of Hindsco, Inc. (hereafter collectively, “the Parties” or “Respondents”).

RECITALS

This Agreement is made with reference to the following facts:

A. Charles Hinds, also known as Charlie Hinds (“Hinds”), is an individual who at all relevant times served as an officer, director and person in charge of the businesses of all Respondents. Hinds is authorized to enter into this Agreement on behalf of Respondents.

B. Hinds formed Hindsco, Inc., which does business as Cash Now Santa Rosa. Respondents obtained a license pursuant to the California Deferred Deposit Transaction Law (“CDDTL”) (Department of Corporation file number 100-2645).

C. On August 5, 2005, pursuant to California Financial Code section 23050, the Commissioner issued a Desist and Refrain Order to Charlie Hinds, Hindsco, Inc., and Hindsco, Inc. dba Cash Now Santa Rosa that prohibited them from engaging in the business of deferred deposit transactions in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt. Respondents did not seek a hearing concerning this Desist and Refrain Order and this Order has been in effect at all times since its issuance.

D. Subsequently, Respondents filed an application for a CDDTL license and represented they were knowledgeable about the CDDTL. In sworn declarations, Respondents represented that they would comply with all provisions of the CDDTL and other laws. Specifically, the CDDTL license application contained declarations that Hinds signed under penalty of perjury that he had obtained and read copies of the CDDTL, was familiar with their content and, agreed to comply with all the provisions of it and with any rules or orders of the Commissioner.

E. In reliance upon the representations and Declarations made by Hindsco the Commissioner issued to Hindsco a CDDTL license on August 16, 2005. Complainant’s letter that accompanied the CDDTL license sent to Respondents also informed them of the obligations and responsibilities with which a licensee must comply.

F. However, Respondent continued to violate the CDDTL, specifically California Financial Code sections 23035, 23036 and 23037. Consequently, on January 21, 2009, the Commissioner issued a Desist and Refrain Order, Citations and Order Voiding Deferred Deposit Transactions to Respondents. Respondents were served on January 23, 2009 and on February 19, 2009, timely requested a hearing concerning the January 2009

Orders of the Commissioner. The requested hearing concerning the 2009 Orders hereinafter is referred to as the “Administrative Action”.

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 Administrative Action 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 Administrative Action 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 Code of Civil Procedure, or any other provision of law, as to the Administrative Action 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.
4. **Admissions.** Respondents admit the FACTS stated that appear in the Administrative Action below the heading, Roman numeral **I. FACTS AND PROCEDURAL BACKGROUND**, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner against Respondents or any of the persons named in the Administrative Action.
5. **Desist and Refrain Order.** Respondents hereby voluntarily agree and consent to the issuance by the Commissioner of the Desist and Refrain Order, Citations and Order Voiding Deferred Deposit Transactions Pursuant to Financial Code 23050, 23058 and 23060 (hereafter “2009 Orders”). The foregoing 2009 Orders are attached as Exhibit A and incorporated herein by reference.
6. **CDDTL Transactions.** Respondents hereby agree to forfeit and refund fees or charges in the amounts of \$19,424.30 and \$1,477 for different violations for a total of twenty thousand nine hundred one dollars and 30 cents (\$20,901.30) relating to fees associated with the CDDTL transactions described in the Administrative Action. Respondents agree to make refunds by September 6, 2009, to the clients identified in the document attached as Exhibit B. Respondents agree to provide evidence satisfactory to the Department that the refunds have been offered and paid to Respondents’ clients and that any and all amounts remaining unclaimed by clients on September 6, 2009, shall escheat to the State of California.
7. **Desist and Refrain Order and Citations.** Respondents hereby agree to the Desist and Refrain Order and Citations attached as Exhibit A and incorporated by reference without admitting or denying the facts therein. Complainant agrees to forego collection of citations

in the amount of nineteen thousand six hundred and eighty dollars (\$19,680) if, and only if, Respondents make the required refunds as described in paragraph six (6), above. If refunds are not made by September 6, 2009, then the CDDTL license described above shall be revoked and the citations in the amount of nineteen thousand six hundred and eighty dollars (\$19,680) will immediately become due and payable to the Commissioner.

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 future or unknown 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 that Respondents thereafter violated any of the statutes and/or rules set forth in the CDDTL 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 Citations, Voiding, and Revocation provided for above 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 2009 they will begin to make refunds to the consumers referred to in paragraph six (6) above, and that failure to do so shall be a breach of this Agreement and shall be cause for the Commissioner to revoke Respondents' license. 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 the Administrative Actions, including as to the named persons therein. The parties 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 action, 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 with the attachment described above is the final written expression and the complete, exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties 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 after execution by the parties.

14. Counterparts. This Agreement may be executed in any number of counterparts 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. 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: CHARLIE HINDS, President
HINDSCO, INC.
HINDSCO, INC. DBA CASH NOW SANTA ROSA
1420 Guerneville Road
Santa Rosa, California 95403

If to the Commissioner: 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: 3/5/09

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

Dated: 3/5/09

By _____
CHARLES HINDS
An individual

HINDSCO INC. DOING BUSINESS AS SANTA ROSA CASH NOW

Dated: 3/5/09

By _____
CHARLES HINDS
Officer and Director