

## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is entered into as of July 30, 2010 by and between the California Corporations Commissioner ("Commissioner"), on the one hand, and The Jesschex Corporation doing business as Jess Chex Financial ("Jess Chex") on the other hand (hereinafter collectively "the Parties").

### RECITALS

This Agreement is made with reference to the following facts:

A. Jess Chex is a corporation in good standing, duly formed and existing pursuant to the laws of the State of California, and authorized to conduct business in this state. Jess Chex has its principal place of business located at 2524 S. Central Ave., Los Angeles, CA 90011.

B. Jess Mora, Jr. ("Mora") is, and was at the time of the issuance of the Notice of Intention to Suspend Deferred Deposit Transaction Originator License; Accusation to Suspend Deferred Deposit Transaction Originator License; and Citations described in paragraph D below, the president of Jess Chex. Mora is authorized to enter into this Agreement on behalf of Jess Chex.

C. Jess Chex holds license nos. 100-0195, 100-0196 and 100-3180 from the Commissioner under the California Deferred Deposit Transaction Law ("CDDTL") pursuant to California Financial Code sections 23005, 23008 and 23009.

D. On November 23, 2009, the Commissioner issued the Notice of Intention to Suspend Deferred Deposit Transaction Originator License; Accusation to Suspend Deferred Deposit Transaction Originator License; and Citations (hereinafter referred to collectively as the "Pleadings") to Jess Chex for violations of California Financial Code sections 23035(e)(1) and 23007, a copy of which is attached and incorporated herein as Exhibit "1." Jess Chex was served with the Pleadings on or about December 1, 2009.

E. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing and/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 settle and resolve the matters between the parties hereto, for judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.
2. **Waiver of Hearing Rights.** Jess Chex and Mora acknowledge the right of Jess Chex to a hearing under the CDDTL in connection with the Pleadings, 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, the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consent to the Citations becoming final.

3. **Advice of Counsel.** Mora further acknowledges that he was advised to consult with counsel prior to entering into this Agreement and has decided not to consult with counsel.

4. **Admissions.** Jess Chex and Mora admit the violations contained in the Pleadings. The admissions of Jess Chex and Mora are for the purposes of this and any other future proceedings that may be initiated by or brought before the California Department of Corporations. The Parties agree that this Agreement shall not be admissible against Jess Chex in any action(s) brought against Jess Chex by third parties that are not signatories to this Agreement.

5. **Violations of the California Deferred Deposit Transaction Law:** Jess Chex and Mora represent that Jess Chex has discontinued disclosing incorrect Annual Percentage Rates (“APRs”) in the deferred deposit transaction agreements at all three licensed locations. Any further violations of the CDDTL in relation to the disclosure of incorrect APRs at any licensed location shall be cause for the Commissioner to immediately revoke any licenses held by, and/or deny any pending application of Jess Chex, its successors and assigns, by whatever names they might be known. Jess Chex and Mora hereby waive any notice and hearing rights to contest such revocations and/or denial(s) which may be afforded under the CDDTL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

6. **Citations.** Jess Chex hereby agrees to pay to the Commissioner citations totaling TEN THOUSAND DOLLARS (\$10,000) (the “Citations”). Jess Chex shall pay the Citations by way of four (4) equal installment payments of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) on or before the fifteenth day of each month to commence on August 15, 2010, and continuing thereafter until the final payment is received. In the event the payment due date falls on a weekend or holiday, the payment shall be due the next business day. Jess Chex shall make the checks for the payments payable to the California Department of Corporations and mail the checks to attention and address of the Department of Corporations person listed in paragraph 19, Notices. Jess Chex acknowledges that failure to make any payment installment under this Agreement or to timely pay any payment installment under this Agreement shall be a breach of this Agreement and shall be cause for the Commissioner to immediately revoke any licenses held by, and/or deny any pending application(s) of Jess Chex, its successors and assigns, by whatever names they might be known. Jess Chex hereby waives any notice and hearing rights to contest such revocations and/or denial(s) which may be afforded under the CDDTL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

7. **Future Actions by the Commissioner.** The Commissioner reserves the right to bring any future action(s) against Jess Chex, Mora or any of the officers, directors, shareholders, or employees of Jess Chex for any and all unknown or future violations of the CDDTL. This Agreement shall not serve to exculpate Jess Chex, Mora or any of the officers, directors, shareholders, or employees of Jess Chex from liability for any and all unknown or future violations of the CDDTL.

8. **Effective Date.** This Agreement shall not become effective until signed, and delivered by all parties.

9. **Settlement Agreement Coverage.** The parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of this matter. The parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency against Jess Chex based upon any of the activities alleged in this matter or otherwise.

10. **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.

11. **No Other Representation.** 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. Each of the parties further represents, warrants, and agrees that in executing this Agreement it 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.

12. **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.

13. **Full Integration.** This Agreement, including the attached Pleadings, 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, with respect to the subject matter covered hereby.

14. **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.

15. **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.

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, the laws of the State of California.

17. **Authority For Settlement.** 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.** Jess Chex and Mora hereby acknowledge that this Agreement will be a matter of 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 The Jesschex Corporation: 2524 South Central Avenue  
Los Angeles, CA 90011  
Attn: Jess Mora, Jr.

If to the Commissioner: Steven C. Thompson  
Special Administrator  
Financial Services Division  
Department of Corporations  
320 W. 4<sup>th</sup> 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: \_\_\_\_\_

PRESTON DuFAUCHARD  
California Corporations Commissioner

Dated: 8-6-10\_\_\_\_\_

By \_\_\_\_\_  
STEVEN C. THOMPSON  
Special Administrator

Dated: 8-4-10

THE JESSCHEX CORPORATION DBA  
JESS CHEX FINANCIAL

By \_\_\_\_\_  
JESS MORA, JR.  
President

Dated: 8-4-10

By \_\_\_\_\_  
JESS MORA, JR.  
An Individual