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

TO: MTE Financial Services, Inc.  
147 Alberquerque  
NM 87123

**DESIST AND REFRAIN ORDER**

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

The California Corporations Commissioner finds that:

1. At all relevant times herein, MTE Financial Services, Inc. (“MTE Financial”) is, or was, an entity whose legal status is unknown. MTE Financial originates or offers payday loans to California residents over the Internet through Internet-based companies that purportedly match borrowers to lenders.

2. MTE Financial 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.

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

4. Since at least April 2007, and continuing thereafter, MTE Financial has originated or offered to originate deferred deposit transactions to at least four California residents. Under MTE Financial’s Internet-based deferred deposit transactions, the borrower provides details of his or her checking account, which s/he authorizes the lender to debit electronically on the due date.

5. MTE Financial originated deferred deposit transactions with California residents, which authorized MTE financial to electronically debit the borrowers’ accounts by means of an Automated Clearing House with the loan amount, fees and charges, on the due date.

