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

TO: Military Financial, Inc.
1403 Foulk Road, Suite 203
Foulkstone Plaza
Wilmington, DE 19803

DESIST AND REFRAIN ORDER
(For violations of section 23005 of the California Financial Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. At all relevant times, Military Financial, Inc. is, or was, a Delaware corporation, with no known place of business or agent for service of process in California. Military Financial, Inc.’s address is 1403 Foulke Road, Suite 203, Foulkstone Plaza, Wilmington, Delaware. Military Financial, Inc. maintains a website at <https://www.militaryfinancial.com>.

2. Military Financial, Inc. has engaged in the business of making, or offering to make, deferred deposit transactions over the internet through its website, marketed “exclusively to the U.S. military.”

3. According to its website, Military Financial, Inc. makes “advance pay loans” for amounts up to 40% of monthly take home pay. It offers loans for up to 60 days and allows “up to 4 paydays to repay the loan.” Each of these listed practices would be in violation of the California Deferred Deposit Transaction Law (“CDDTL”) (California Financial Code sections 23000 et seq.) if engaged in by a person licensed under that law.

4. According to Military Financial, Inc.’s website, repayment of the loan is made by electronically debiting the account where the borrower’s pay is deposited. This is equivalent to the use of a personal check for the purpose of satisfying the description of a “deferred deposit transaction” under California Financial Code, section 23001.

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5. Military Financial, Inc. has not been issued a license by the Commissioner authorizing it to offer or make deferred deposit transactions in California. Military Financial, Inc. is not exempt from the licensing requirements of California Financial Code, section 23005.

Based on the foregoing findings, the California Corporations Commissioner is of the opinion that Military Financial, Inc. is engaging in the business of offering and making deferred deposit transactions to military personnel in California without being licensed, in violation of California Financial Code, section 23005.

Pursuant to California Financial Code section 23050, Military Financial, Inc. is hereby ordered to desist and refrain from engaging in the business of offering or making deferred deposit transactions without first obtaining a license from the Commissioner, or otherwise being exempt.

This Order is necessary, in the public interest, for the protection of consumers and consistent with the purposes, policies, and provisions of the California Deferred Deposit Transaction Law. This Order shall remain in full force and effect until further order of the Commissioner.

Dated: December 28, 2006
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel