

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

**TO:** NICHOLAS MAO doing business as MONEY PALACE  
595 South Knott Avenue  
Anaheim, California 92804

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

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

1. At all relevant times, Nicholas Mao doing business as Money Palace (“Money Palace”) was a California sole proprietorship with its principal place of business located at 595 South Knott Avenue, Anaheim, California 92804.
- 2.. A deferred deposit transaction is a written transaction, often referred to as a “cash advance” or “payday loan,” whereby one person gives funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date.
3. On or about September 1, 2009, an investigation conducted by the Commissioner’s examiner at the Anaheim store location stated above disclosed that Money Palace engaged in the business of originating deferred deposit transactions since at least April 8, 2008 through at least September 1, 2009.
4. During the examination, an employee of Money Palace told the Commissioner’s examiner that the store no longer processed loans for walk-in customers. The examiner was instead provided a brochure explaining that Money Palace processed online payday loans through an Internet website located at [www.moneypalacecash.com](http://www.moneypalacecash.com).
5. When the examiner requested to review the store’s license and books and records, an employee identifying himself as the store manager was unable to provide a deferred deposit

1 transaction license or copies of license application materials that were purportedly submitted to  
2 the Commissioner by Money Palace.

3 6. Review of a loan register entitled “Payday Advance Checks Cashed,” which was  
4 provided to the Commissioner’s examiner by the store manager, disclosed that from the period of  
5 April 8, 2008 through September 1, 2009, Money Palace transacted approximately 666 deferred  
6 deposit loans totaling \$178,352.50 for walk-in customers alone.

7  
8 7. Further examination of documents provided to the Commissioner’s examiner revealed  
9 that, during the same period, Money Palace also processed at least 44 deferred deposit  
10 transaction loans through its store website.

11  
12 8. Nicholas Mao doing business as Money Palace has not been issued a license by the  
13 Commissioner authorizing it to engage in the business of deferred deposit transactions under the  
14 California Deferred Deposit Transaction Law (“CDDTL”) (California Financial Code §§ 23000  
15 et seq.).

16  
17 9. Nicholas Mao doing business as Money Palace is not exempt from the licensing  
18 requirements of California Financial Code section 23005.

19 10. By reason of the foregoing, Nicholas Mao doing business as Money Palace has engaged  
20 in the business of deferred deposit transactions without having first obtained a license from the  
21 Commissioner in violation of California Financial Code section 23005.

22 Pursuant to California Financial Code section 23050, Nicholas Mao doing business as  
23 Money Palace is hereby ordered to desist and refrain from engaging in the business of deferred  
24 deposit transactions in the State of California without first obtaining a license from the  
25 Commissioner, or otherwise being exempt. This Order is necessary, in the public interest, for the  
26 protection of consumers and is consistent with the purposes, policies and provisions of the  
27 California Deferred Deposit Transaction Law. This order shall remain in full force and effect  
28 until further order of the Commissioner.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

California Financial Code section 23050 provides in pertinent part:

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

Dated: March 15, 2010  
Los Angeles, CA

PRESTON DuFAUCHARD  
Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner  
Enforcement Division