1	STATE OF CALIFORNIA
2	BUSINESS, TRANSPORTATION AND HOUSING AGENCY DEPARTMENT OF CORPORATIONS
3	
4	TO: HOWARD S. MCDERMOTT
5	433 Market Street, Colusa, California 95932
6	and
7	HOWADD S MCDEDMOTT db a CHECK CONNECTION EUDNITUDE
8	HOWARD S. MCDERMOTT, d.b.a. CHECK CONNECTION FURNITURE CONNECTION
9	433 Market Street, Colusa, California 95932
10	
11	and
12	HOWARD S. MCDERMOTT, d.b.a. CHECK CONNECTION FURNITURE CONNECTION
13	130 N. Butte St., Willows California 05088
14	Willows, California 95988
15	DESIST AND REFRAIN ORDER
16	(For violations of California Financial Code sections 23005, 23050, 23058)
17	The California Corporations Commissioner finds that:
18	1. Howard S. McDermott ("McDermott") is, and was at all relevant times herein, an
19	individual doing business as Check Connection Furniture Connection ("Check Connection"), a
20	sole proprietorship with two branch offices. One is located at 433 Market St., Colusa, California
21	95932 ("Colusa branch"), and the other is located at 130 N. Butte St., Willows, California 95988
22	("Willows branch").
23	2. Between April 1, 2005 and June 27, 2006, McDermott engaged in the business of
24	deferred deposit transactions at the Willows branch by originating deferred deposit transactions
25	without a license.
26	3. The California Corporations Commissioner ("Commissioner") has not issued
27	McDermott or Check Connection a license to engage in the business of deferred deposit
28	

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

transactions under the California Deferred Deposit Transaction Law ("CDDTL") (California Financial Code §§ 23000 et seq.) at the Willows branch.

4. McDermott or Check Connection is not exempt from Financial Code section 23005 licensing requirements.

5. McDermott continued to perform deferred deposit transactions without a license after the Department representative informed McDermott that each branch needed its own CDDTL license. On June 27, 2006 McDermott furnished the Department representative with a log of the 1,072 loan transactions that had been recorded at the Willows branch without a CDDTL license between April 1, 2005 and June 27, 2006, including 42 outstanding payday loans.

By reason of the foregoing, Howard S. McDermott and Howard S. McDermott doing business as Check Connection Furniture Connection have engaged in the business of deferred deposit transactions without having first obtained a license from the Commissioner in violation of California Financial Code section 23005.

Pursuant to California Financial Code section 23050, Howard S. McDermott and Howard S. McDermott doing business as Check Connection Furniture Connection, are hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions at the Willows branch without first obtaining a license from the Commissioner unless exempt. This Order is necessary, in the public interest, for the protection of consumers and is 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.

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.

Pursuant to Financial Code section 23058, McDermott and Check Connection are hereby ordered to pay an administrative penalty in the amount of five hundred dollars (\$500.00) for

1	engaging in unlicensed deferred deposit transactions.
2	California Financial Code section 23058 provides in pertinent part:
3	If the department has cause to believe that a person is engaged in the
4	business of deferred deposit transactions without a license, or a licensee or person is violating any provision of this division or any rule or order
5	thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may
6	contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars
7	(\$2,500) If within 30 days from the receipt of the citation of the
8	person cited fails to notify the department that the person intends to request a hearing the citation shall be deemed final.
9	Dated: February 28, 2007
10	Sacramento, CA
11	PRESTON DUFAUCHARD
12	Corporations Commissioner
13	
14 15	By Sharon A. Lueras
15	Lead Corporations Counsel
17	Enforcement Division
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	-3-