

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into as of August 5, 2009, by and between the Complainant, the California Corporations Commissioner (“Commissioner”), and Respondent, RYMS Financial Services, Inc. doing business as Cash Plus #132 and Cash Plus #192 (hereinafter collectively “the Parties”).

RECITALS

This Agreement is made with reference to the following facts:

A. RYMS Financial Services, Inc. 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 the State of California. Cash Plus #132 and Cash Plus #192 are the fictitious business names for RYMS Financial Services, Inc. RYMS Financial Services, Inc. has received licenses for two principal places of business located at:

- 9339 Foothill Boulevard, #F, Rancho Cucamonga, California 91730; and
- 350 W. Foothill Boulevard, Upland, California 91786.

B. Michael Gibson is the president of RYMS Financial Services, Inc. and is authorized to enter into this Agreement on behalf of RYMS Financial Services, Inc.

C. RYMS Financial Services, Inc. dba Cash Plus #132 and Cash Plus #192 has held license numbers 100-2280 and 100-3632 from the Commissioner under the California Deferred Deposit Transaction Law (“CDDTL”) pursuant to California Financial Code sections 23005, 23008 and 23009.

D. On February 18, 2009, the Commissioner issued Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees to Respondent for violations of California Financial Code 23000 et seq., served to Respondent on February 19, 2009.

E. It is the intention of the parties to resolve this matter without the necessity of an administrative hearing 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 resolve the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees expeditiously, avoid the expense of a hearing, and possible further court proceedings.

2. Waiver of Hearing Rights. Respondent acknowledges its right to a hearing under the CDDTL in connection with the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees and hereby waives 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 (“APA”), the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consents to the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees becoming final as hereinafter modified.

3. 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. Respondent acknowledges that it consulted with attorney Paul Soter prior to entering into this Agreement.

4. Admissions. Respondent admits the FACTS stated below Roman numeral I in the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner. It is the intent and understanding between the parties that this Agreement, and particularly the admissions of Respondent herein, shall not be binding or admissible against it in any action(s) with third parties.

5. Refunds to Consumers. Respondent hereby agrees to refund \$2,950.42 in excess fees and charges as described in the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees to the aggrieved consumers at his/her last known address. (The amount of excess fees includes \$325 which Respondent already refunded to three consumers prior to the date of the examination.) Respondent will provide proof to the Department of Corporations that refunds to each consumer have been made no later than August 28, 2009. Respondent does not need to submit additional proof where refunds have already been made and evidence has already been provided to the Department. Any refunds which remain unclaimed shall escheat to the unclaimed property section of the State Controller’s office in accordance with the provisions outlined in California Code of Civil Procedure, section 1500 *et seq.*

6. Citations. Respondent hereby agrees to pay to the Commissioner six thousand two hundred and fifty dollars (\$6,250) as Citations by the close of business on August 28, 2009. Payments of Citations shall be made payable to the California Department of Corporations and delivered to the Department of Corporations’ Sacramento Office to the attention of Senior Corporations Counsel, Brent Lindgren.

7. Breach of Agreement. In the event that this agreement is breached by Respondent’s failure to timely pay refunds to consumers (per paragraph 5) or citations (per paragraph 6)), then the 199 transactions referenced in the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees shall be voided and the principal (\$51,141.65) shall become due and payable to the consumers, and the full amount of the Citations originally ordered (\$12,500) shall become payable to the Department of Corporations. Furthermore, the Commissioner may proceed under Financial Code section 23058(e) for the issuance of a judgment and order.

8. Scope of Desist & Refrain Order. In addition to the admissions listed in paragraph 4, Respondent stipulates to a violation of Financial Code sections 23024 (requiring licensees to keep books, accounts and records that will enable the Commissioner to determine if the licensee is complying with the provisions of the CDDTL), 23036(c) (prohibiting deferred deposit transactions while earlier agreement with same customer is still in effect), and 23037(a) (prohibiting customers paying off one deferred deposit transaction with proceeds from another). Respondent stipulates to desist and refrain from any further violations of these sections.

9. Costs of Audit and Examination. This settlement does not resolve the issue of costs incurred by the Department for the audit and examination. That issue remains pending.

10. Future Actions by the Commissioner. This Agreement shall not serve to exculpate Respondent or any of the partners, owners, employees or successors of Respondent from liability for any and all unknown or future violations of the CDDTL. Nothing in this Agreement shall limit the rights of the Commissioner to bring further action if it is found, after the execution of this Agreement that Respondent has at any time violated any of the statutes and/or rules set forth in the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees or Agreement.

11. Settlement Agreement Coverage. This Agreement is intended by both parties to constitute a full, final and complete resolution of the Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees. The parties further agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Respondent based upon any of the activities alleged in this matter or otherwise. 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 and 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. Full Integration. This Agreement, including the attached Citations; Desist and Refrain Order; and Order Voiding Transactions and Disgorgement of all Charges and Excess Fees, 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 supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity.

13. 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.

14. Effective Date. This Agreement shall not become effective until signed by Respondent and delivered by all parties. The Commissioner shall file this Agreement with the Office of Administrative Hearings five days after execution by the parties, but no later than the hearing date scheduled for August 5, 2009.

15. Counterparts. This Agreement may be executed in any number of counterparts 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. 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.

17. 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 California law.

18. Authority For Settlement. Respondent covenants that it possesses all necessary capacity and authority to sign and enter into this Agreement. 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.

19. Public Record. Respondent acknowledges that this Agreement is a public record.

20. Voluntary Agreement. The Parties each represent and acknowledge that he or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

21. Notices. Notice shall be provided to each party at the following addresses:

If to Respondent to: Paul Soter, Esq.
149 San Felipe Avenue, San Francisco, California 94127

If to the Commissioner to: Steven C. Thompson, Special Administrator
Financial Services Div. Department of Corporations
320 W. 4th Street, Suite 750. Los Angeles, CA 90013

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 8/3/09

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

RYMS FINANCIAL SERVICES, INC. dba CASH PLUS #132 and CASH PLUS #192

Dated: 7/31/09

By _____
MICHAEL GIBSON
President

Dated: 7/31/09

Approved as to form by Respondent's counsel

By _____
PAUL SOTER, Esq.