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7  
8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12	In the Matter of	)	DESIST AND REFRAIN ORDER PURSUANT
13	THE CALIFORNIA CORPORATIONS	)	TO CALIFORNIA FINANCIAL CODE
14	COMMISSIONER,	)	SECTION 23050; and
15	Complainant,	)	ORDER VOIDING TRANSACTIONS
16	v.	)	PURSUANT TO CALIFORNIA FINANCIAL
17	Anasazi Group LLC	)	CODE SECTION 23060
18	Respondents.	)	
19		)	
20		)	
21		)	

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23 Complainant, the Commissioner of the California Department of Corporations  
24 (“Commissioner” or “Department”), is informed and believes, and based on such information and  
25 belief, finds as follows:

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I.

**FACTUAL BACKGROUND**

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3 1. Anasazi Group LLC (“Anasazi”) is, and was at all relevant times herein, an entity of  
4 unknown form. Anasazi operates over the internet using the domain name cwbservices.net, including  
5 but not limited to the email address anasaziinfo@cwbservices.net, from an undisclosed physical  
6 location and providing only a telephone number (866) 955-0897 and fax number (888) 519-2164.

7 2. The internet domain name cwbservices.net is used by multiple entities, including but  
8 not limited to Anasazi, Vandelier Group LLC, and St. Armands Services LLC a.k.a. St. Armands  
9 Group LLC (“St. Armands”). St. Armands is located at P.O. Box 411056, Kansas City, Missouri  
10 64141, and 1010 Walnut Street, Kansas City, Missouri 64106.

11 3. The Commissioner has jurisdiction over deferred deposit transactions as set forth in  
12 the California Deferred Deposit Transaction Law (“CDDTL”) (California Financial Code section  
13 23000 *et. seq.*)

14 4. “Deferred deposit transaction” means a transaction whereby a person defers depositing  
15 a customer’s personal check until a specific date, pursuant to a written agreement for a fee or other  
16 charge. “Personal check,” which is referenced in California Financial Code section 23001,  
17 subdivision (a), includes the electronic equivalent of a personal check, such as an Automated  
18 Clearing House (“ACH”) or debit card transaction.

19 5. On January 30, 2012, the Commissioner, pursuant to California Financial Code  
20 section 23050, ordered St. Armands to desist and refrain from violating California Financial Code  
21 sections 23005 and 23036. Pursuant to California Financial Code section 23060 any and all deferred  
22 deposit transactions contracted with California customers or in the State of California by St. Armands  
23 are void.

24 6. On February 7, 2012, St. Armands was served the Desist and Refrain Order Pursuant  
25 to California Financial Code Section 23050 and Order Voiding Transactions and to Disgorge All  
26 Charges and Fees Pursuant to California Financial Code Section 23060 (“Commissioner’s Order”).  
27 The Commissioner’s Order issued to St. Armands remains in full force and effect.

28 7. Since at least June, 2012, Anasazi has engaged in the business of originating or

1 offering to originate deferred deposit transactions (commonly referred to as “payday loans” or  
2 “payday advances”) via email containing the domain name cwbservices.net to California residents as  
3 described below.

4 8. Prospective customers submit an online loan application that requires them to provide  
5 personal and checking account information. Anasazi then emails the customers from email addresses  
6 containing the domain name cwbservices.net and offers payday loans that charge fees beyond what  
7 the CDDTL allows. For example, Anasazi emailed a payday loan agreement to at least one  
8 California resident dictating the following terms: a \$300 loan amount, 730% interest rate, \$90  
9 refinance fee, and \$30 return check fee. When the due date on the deferred deposit transaction  
10 arrived, funds were automatically withdrawn from the California resident’s bank account.

11 9. Anasazi has not been issued a deferred deposit transaction originator license by the  
12 Commissioner pursuant to the CDDTL. As such, Anasazi is not authorized to engage in payday  
13 lending, or to offer, originate, or make a deferred deposit transaction, arrange a deferred transaction  
14 for a deferred deposit originator, act as an agent for a deferred deposit originator, or assist a deferred  
15 deposit originator in the origination of a deferred deposit transaction in California or to California  
16 residents.

## 17 II.

### 18 DESIST AND REFRAIN ORDER

19 The Department is responsible for enforcing provisions of the CDDTL found in California  
20 Financial Code commencing at section 23000. The Commissioner is authorized to pursue  
21 administrative actions and remedies against persons who engage in violations of the CDDTL.

22 California Financial Code section 23050 provides, in pertinent part:

23 Whenever, in the opinion of the commissioner, any person is engaged in  
24 the business of deferred deposit transactions . . . without a license from the  
25 commissioner, or any licensee is violating any provision of this division,  
26 the commissioner may order that person or licensee to desist and to refrain  
27 from engaging in the business or further violating this division. If within  
28 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.

Cal. Fin. Code § 23050 (2012).

1 California Financial Code section 23005 subdivision (a) prohibits any person from offering,  
2 originating, or making a deferred deposit transaction without first obtaining a license from the  
3 Commissioner, except as specified. Section 23036 subdivision (a) limits fees to 15% of the face  
4 amount of the deferred deposit transaction.

5 The foregoing facts establish violations of the CDDTL by Anasazi Group LLC, including: 1)  
6 engaging in the business of originating or offering to originate deferred deposit transactions without  
7 having first obtained a license to do so from the Commissioner, in violation of section 23005(a); and  
8 2) charging excessive transaction fees in violation of section 23036(a).

9 Pursuant to Financial Code section 23050, Anasazi Group LLC is hereby ordered to desist and  
10 refrain from violating Financial Code sections 23005 and 23036. This Order is necessary for the  
11 protection of consumers and consistent with the purposes, policies, and provisions of the CDDTL.  
12 This Order shall remain in full force and effect until further order of the Commissioner.

13 **III.**

14 **ORDER VOIDING CALIFORNIA DEFERRED DEPOSIT TRANSACTIONS**

15 California Financial Code section 23060 provides:

16 (a) If any amount other than, or in excess of, the charges or fees permitted by  
17 this division is willfully charged, contracted for, or received, a deferred deposit  
18 transaction contract shall be void, and no person shall have any right to collect  
19 or receive the principal amount provided in the deferred deposit transaction, any  
charges, or fees in connection with the transaction.

20 (b) If any provision of this division is willfully violated in the making or  
21 collection of a deferred deposit transaction, the deferred deposit transaction  
22 contract shall be void, and no person shall have any right to collect or receive  
23 any amount provided in the deferred deposit transaction, any charges, or fees in  
connection with the transaction.

24 Cal. Fin. Code § 23060 (2012).

25 Pursuant to California Financial Code section 23060 subdivisions (a) and (b), any and all  
26 deferred deposit transactions contracted with California customers or in the State of California by  
27 Anasazi Group LLC are therefore void. Anasazi Group LLC is hereby ordered to immediately cease  
28 collecting all principal amounts, and return all principal amounts, provided in any and all deferred

1 deposit transactions contracted with California customers or in the State of California, and to disgorge  
2 any and all charges or fees received in conjunction with those deferred deposit transactions.

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Dated: August 13, 2012  
Los Angeles, California

JAN LYNN OWEN  
California Corporations Commissioner

By: \_\_\_\_\_  
ALAN S. WEINGER  
Deputy Commissioner

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Deputy Commissioner  
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10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of the Orders Issued to: )  
13 )  
14 St. Armands Services LLC, a.k.a. ) DESIST AND REFRAIN ORDER PURSUANT  
St. Armands Group LLC ) TO CALIFORNIA FINANCIAL CODE  
15 ) SECTION 23050; and  
16 Respondents. ) ORDER VOIDING TRANSACTIONS AND  
17 ) TO DISGORGE ALL CHARGES AND FEES  
18 ) PURSUANT TO CALIFORNIA FINANCIAL  
19 ) CODE SECTION 23060  
20 )  
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23 Complainant, the Commissioner of the Department of Corporations (“Commissioner” or  
24 “Department”), is informed and believes, and based on such information and belief, finds as follows:

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## I.

**FACTUAL BACKGROUND**

St. Armands Services LLC, a.k.a. St. Armands Group LLC (“St. Armands”) is located at P.O. Box 411056, Kansas City, Missouri 64141, and 1010 Walnut Street, Kansas City, Missouri 64106. St. Armands is a Missouri Limited Liability Corporation as of May 12, 2011.

St. Armands offers deferred deposit transactions or “payday loans” to California residents by telephone number (877) 907-5384 and the internet. 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 will not be deposited until a later date. “Personal check,” as referenced in California Financial Code Section 23001, includes “the electronic equivalent of a personal check,” such as an Automated Clearing House (“ACH”) or debit card transaction.

Since at least November 2011, St. Armands has engaged in the business of offering, originating, or making deferred deposit transactions in California, as defined by the California Deferred Deposit Transaction Law (“CDDTL”), as set forth in California Financial Code sections 23000 *et seq.* whereby St. Armands either defers depositing the customer’s personal check or defers making an agreed upon ACH deduction until a specific date pursuant to a written agreement for a fee or other charge.

Prospective customers submit an online loan application that requires them to provide personal and checking account information. St. Armands then directly contacts the customers via emails offering payday loans that charge fees beyond what the CDDTL allows and even depositing funds without customer authorization. For example, St. Armands emailed a California resident who had submitted an online application a payday loan agreement describing the following terms: 782.14% interest rate and \$90 finance charge, for a total payment amount of \$390 due in two weeks. Even without signing the payday loan agreement, the California resident soon discovered the \$300 deposit from St. Armands in his checking account.

St. Armands has not been issued a deferred deposit transaction originator license by the Commissioner pursuant to the CDDTL. As such, St. Armands is not authorized to engage in payday lending, or to offer, originate, or make a deferred deposit transaction, arrange a deferred deposit

1 transaction for a deferred deposit originator, act as an agent for a deferred deposit originator, or assist  
2 a deferred deposit originator in the origination of a deferred deposit transaction in California or to  
3 California residents.

4 **II.**

5 **CDDTL VIOLATIONS AND ORDERS**

6 The Department is responsible for enforcing all provisions of the CDDTL, including the  
7 regulation of deferred deposit transactions, which are also commonly referred to as “payday  
8 advances” or “payday loans.”

9 **A. Desist and Refrain Order for Violations of Sections 23005 and 23036**

10 The Commissioner is statutorily authorized to order any person to desist and refrain from  
11 engaging in violations of the CDDTL. California Financial Code Section 23050 provides:

12 Whenever, in the opinion of the commissioner, any person is engaged in  
13 the business of deferred deposit transactions . . . without a license from the  
14 commissioner, or any licensee is violating any provision of this division,  
15 the commissioner may order that person or licensee to desist and to refrain  
16 from engaging in the business or further violating this division. If within  
17 30 days, after the order is served, a written request for a hearing is filed  
18 and no hearing is held within 30 days thereafter, the order is rescinded.

19 California Financial Code Section 23005 prohibits any person from offering, originating, or  
20 making a deferred deposit transaction without first obtaining a license from the Commissioner,  
21 except as specified. California Financial Code Section 23036 limits fees to 15% of the face amount  
22 of the deferred deposit transaction and prohibits amounts in excess of any fees authorized under the  
23 CDDTL.

24 The foregoing facts establish violations of the CDDTL by St. Armands, including engaging in  
25 the business of originating or offering to originate deferred deposit transactions without having first  
26 obtained a license to do so from the Commissioner, as well as charging excessive fees. The issuance  
27 of a Desist and Refrain Order, therefore, is necessary for the protection of consumers and is  
28 consistent with the purposes, policies, and provisions of the CDDTL.

Pursuant to California Financial Code Section 23050, St. Armands Services LLC, a.k.a. St.  
Armands Group LLC, is hereby ordered to desist and refrain from violating California Financial



1 Code Sections 23005 and 23036. This Order shall remain in full force and effect until further order  
2 of the Commissioner.

3 **B. Order Voiding California Deferred Deposit Transactions**

4 California Financial Code Section 23060, subdivision (a), states:

5 If any amount other than, or in excess of, the charges or fees permitted by  
6 this division is willfully charged, contracted for, or received, a deferred  
7 deposit transaction contract shall be void, and no person shall have any right  
8 to collect or receive the principal amount provided in the deferred deposit  
9 transaction, any charges, or fees in connection with the transaction.

10 St. Armands willfully violated provisions of the CDDTL by charging at least one California  
11 customer fees or charges without a license in violation of Section 23005, including excess fees and  
12 charges in conjunction with deferred deposit transactions in violation of Section 23036. Because St.  
13 Armands willfully charged its customers unauthorized fees or charges, St. Armands is not entitled to  
14 collect or receive the principal amounts provided in those deferred deposit transactions, nor is it  
15 entitled to any of the charges or fees associated with the transactions.

16 Pursuant to California Financial Code Section 23060, any and all deferred deposit  
17 transactions contracted with California customers or in the State of California by St. Armands are  
18 therefore void. St. Armands Services LLC, a.k.a. St. Armands Group LLC, is hereby ordered to  
19 immediately cease collecting all principal amounts, and return all principal amounts, provided in  
20 any and all deferred deposit transactions contracted with California customers or in the State of  
21 California, and to disgorge any and all charges or fees received in conjunction with those deferred  
22 deposit transactions.

23 Dated: January 30, 2012  
24 Los Angeles, California

JAN LYNN OWEN  
California Corporations Commissioner

25  
26 By: \_\_\_\_\_  
27 ALAN S. WEINGER  
28 Deputy Commissioner  
Enforcement Division