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

<p>12 In the Matter of THE COMMISSIONER OF</p> <p>13 CORPORATIONS OF THE STATE OF</p> <p>14 CALIFORNIA,</p> <p>15 Complainant,</p> <p>16 v.</p> <p>17 The Cash Line, L.L.C., d.b.a.</p> <p>18 www.onlineadvance.com and Online Advance;</p> <p>19 and</p> <p>20 247 Green Street, d.b.a.</p> <p>21 www.247greenstreet.com and Twenty Four</p> <p>22 Seven Green Street,</p> <p>23 Respondents.</p>	<p>) DESIST AND REFRAIN ORDER PURSUANT</p> <p>) TO CALIFORNIA FINANCIAL CODE</p> <p>) SECTION 23050;</p> <p>) ORDER VOIDING TRANSACTIONS</p> <p>) PURSUANT TO CALIFORNIA FINANCIAL</p> <p>) CODE SECTION 23060; and</p> <p>) CITATIONS ISSUED TO RESPONDENT THE</p> <p>) CASH LINE, L.L.C., d.b.a.</p> <p>) WWW.ONLINEADVANCE.COM AND</p> <p>) ONLINE ADVANCE, PURSUANT TO</p> <p>) CALIFORNIA FINANCIAL CODE SECTION</p> <p>) 23058</p>
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24 Complainant, the Commissioner of Corporations of the State of California (“Commissioner”
25 or “Department”), is informed and believes, and based on such information and belief, finds as
26 follows:
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I.

FACTUAL BACKGROUND

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3 1. The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online
4 Advance (collectively, “Cash”), is a limited liability company with its principal place of business at 2
5 Penns Way, Suite 407, New Castle, DE 19720. CASH operates internet website
6 www.onlineadvance.com, which includes a telephone number (866) 643-0909, facsimile number
7 (866) 643-0909, internet website address www.onlineadvance.com, and email address
8 csr@onlineadvance.com.

9 2. 247 Green Street, doing business as www.247greenstreet.com and Twenty Four Seven
10 Green Street (collectively, “GREEN”), is a company of unknown formation with its principal place
11 of business at Level 8, Plaza Commercial Center, Bisazza Street, Sliema, SLM 1640 Malta, European
12 Union. GREEN operates website www.247greenstreet.com, which includes telephone number (877)
13 696-1822, facsimile number (866) 591-9347, website address www.247greenstreet.com, and email
14 address customercare@247greenstreet.com.

15 3. GREEN and CASH are engaged in the business of originating or offering to originate
16 deferred deposit transactions (commonly referred to as “payday loans” or “payday advances”) over
17 the internet to the general public, including California residents.

18 4. The Commissioner has jurisdiction over deferred deposit transactions as set forth in
19 the California Deferred Deposit Transaction Law (“CDDTL”) (California Financial Code section
20 23000 et. seq.).

21 5. A “deferred deposit transaction” is a written transaction whereby one person gives
22 funds to another person upon receipt of a personal check, and it is agreed that the personal check
23 would not be deposited until a later date. “Personal check”, as referenced in California Financial
24 Code section 23001, includes “the electronic equivalent of a personal check,” such as an Automated
25 Clearing House (“ACH”) or debit card transaction. Both CASH and GREEN offer these payday loans
26 at a very high annual percentage rate of interest to borrowers.
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1 6. Since 2012, both CASH and GREEN have engaged in the business of offering,
2 originating, or making deferred deposit transactions in California, as defined by the CDDTL. CASH
3 and GREEN either defer depositing the customer's personal check or defer making an agreed upon
4 ACH deduction until a specific date for a fee or other charge. Customers submit online loan
5 applications through each website at www.onlineadvance.com for CASH and
6 www.247greenstreet.com for GREEN. Customers are required to provide their checking account
7 information from which CASH and GREEN eventually automatically debits payments, fees, and
8 interest from the borrowers. CASH and GREEN, however, then use customers' banking account
9 information to deduct additional fees and charges beyond what customers were told they would be
10 expected to pay, sometimes in excess of more than double the amount of the original loan, and
11 beyond what the CDDTL allows.

12 7. Specifically as to CASH, on or about August 13, 2012 to September 25, 2012, CASH
13 originated deferred deposit transactions with at least one California resident by way of making at
14 least five (5) loans thru their website, and arranging electronic deposits totaling \$600.00 into a
15 California resident's bank account. Subsequently on or about August 31, 2012 to October 26, 2012,
16 CASH debited the California resident's bank account for at least five (5) finance charges in separate
17 instances totaling \$635.00. CASH charged and collected this entire amount as finance charges for the
18 deferred deposit transactions CASH originated with at least one California resident. CASH did not
19 credit any portion paid by the California resident towards the principal loan amount.

20 8. CASH and GREEN have not been issued deferred deposit transaction originator
21 licenses by the Commissioner pursuant to the CDDTL. They are not exempt from the licensing
22 requirements of California Financial Code section 23005. As such, CASH and GREEN are not
23 authorized to engage in payday lending, or to offer, originate, or make a deferred deposit transaction,
24 arrange a deferred deposit transaction for a deferred deposit originator, act as an agent for a deferred
25 deposit originator, or assist a deferred deposit originator in the origination of a deferred deposit
26 transaction in California or to California residents.

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II.

DESIST AND REFRAIN ORDER

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

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 . . . without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. 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.

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

The foregoing facts establish that The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, and 247 Green Street, doing business as www.247greenstreet.com and Twenty Four Seven Green Street, engaged in the business of originating or offering to originate deferred deposit transactions without having first obtained a license to do so from the Commissioner, in violation of section 23005(a) of the CDDTL. The foregoing facts also establish that The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, charged excessive transaction fees in violation of section 23036(a) of the CDDTL.

Pursuant to Financial Code section 23050, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, and 247 Green Street, doing business as www.247greenstreet.com and Twenty Four Seven Green Street, are hereby ordered to desist and refrain from violating Financial Code sections 23005 and 23036. This Order is necessary for the

1 protection of consumers and consistent with the purposes, policies, and provisions of the CDDTL.
2 This Order shall remain in full force and effect until further order of the Commissioner.

3 **III.**

4 **ORDER VOIDING CALIFORNIA DEFERRED DEPOSIT TRANSACTIONS**

5 California Financial Code section 23060 provides:

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

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

16 Pursuant to California Financial Code section 23060, any and all deferred deposit transactions
17 contracted with California customers or in the state of California by The Cash Line, L.L.C., doing
18 business as www.onlineadvance.com and Online Advance, and by 247 Green Street, doing business
19 as www.247greenstreet.com and Twenty Four Seven Green Street are therefore void. The Cash Line,
20 L.L.C., doing business as www.onlineadvance.com and Online Advance, and by 247 Green Street,
21 doing business as www.247greenstreet.com and Twenty Four Seven Green Street are hereby ordered
22 to immediately cease collecting all principal amounts, return all principal amounts provided in any
23 and all deferred deposit transactions contracted with California customers or in the state of California,
24 and to disgorge any and all charges or fees received in conjunction with those deferred deposit
25 transactions.

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IV.

CITATIONS

For the CDDTL violations by The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, the Commissioner herein issues ten (10) separate Citations A through J (“collectively, Citations”), as part of this single document:

CITATION A – On or about August 13, 2012, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, originated a deferred deposit transaction with at least one California resident through the website, www.onlineadvance.com, without a license, in violation of Financial Code section 23005;

CITATION B – On or about August 14, 2012, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, originated a deferred deposit transaction with at least one California resident through the website, www.onlineadvance.com, without a license, in violation of Financial Code section 23005;

CITATION C – On or about August 21, 2012, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, originated a deferred deposit transaction with at least one California resident through the website, www.onlineadvance.com, without a license, in violation of Financial Code section 23005;

CITATION D – On or about September 7, 2012, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, originated a deferred deposit transaction with at least one California resident through the website, www.onlineadvance.com, without a license, in violation of Financial Code section 23005;

CITATION E – On or about September 25, 2012, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance, originated a deferred deposit transaction with at least one California resident through the website, www.onlineadvance.com, without a license, in violation of Financial Code section 23005;

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1 **CITATION F** – On or about August 31, 2012, The Cash Line, L.L.C., doing business as
2 www.onlineadvance.com and Online Advance, after originating a deferred deposit transaction with at
3 least one California resident through the website www.onlineadvance.com without a license, charged
4 an excessive transaction fee for that transaction, in violation of section 23036(a);

5 **CITATION G** – On or about September 14, 2012, The Cash Line, L.L.C., doing business as
6 www.onlineadvance.com and Online Advance, after originating a deferred deposit transaction with at
7 least one California resident through the website www.onlineadvance.com without a license, charged
8 an excessive transaction fee for that transaction, in violation of section 23036(a);

9 **CITATION H** – On or about September 28, 2012, The Cash Line, L.L.C., doing business as
10 www.onlineadvance.com and Online Advance, after originating a deferred deposit transaction with at
11 least one California resident through the website www.onlineadvance.com without a license, charged
12 an excessive transaction fee for that transaction, in violation of section 23036(a);

13 **CITATION I** – On or about October 12, 2012, The Cash Line, L.L.C., doing business as
14 www.onlineadvance.com and Online Advance, after originating a deferred deposit transaction with at
15 least one California resident through the website www.onlineadvance.com without a license, charged
16 an excessive transaction fee for that transaction, in violation of section 23036(a); and

17 **CITATION J** – On or about October 26, 2012, The Cash Line, L.L.C., doing business as
18 www.onlineadvance.com and Online Advance, after originating a deferred deposit transaction with at
19 least one California resident through the website www.onlineadvance.com without a license, charged
20 an excessive transaction fee for that transaction, in violation of section 23036(a).

21 California Financial Code section 23058 gives the Commissioner the authority to issue
22 Citations for the foregoing CDDTL violations. Section 23058 states:

23 (a) If, upon inspection, examination or investigation, based upon a complaint or
24 otherwise, the department has cause to believe that a person is engaged in the business of
25 deferred deposit transactions without a license, or a licensee or person is violating any
26 provision of this division or any rule or order thereunder, the department may issue a
27 citation to that person in writing, describing with particularity the basis of the citation.
28 Each citation may contain an order to desist and refrain and an assessment of an
administrative penalty not to exceed two thousand five hundred dollars (\$2,500). All
penalties collected under this section shall be deposited in the State Corporations Fund.

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(b) The sanctions authorized under this section shall be separate from, and in addition to, all other administrative, civil, or criminal remedies.

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and in all states the commissioner has all the powers granted therein.

(e) After the exhaustion of the review procedures provided for in this section, the department may apply to the appropriate superior court for a judgment in the amount of the administrative penalty and order compelling the cited person to comply with the order of the department. The application, which shall include a certified copy of the final order of the department, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

Pursuant to Financial Code section 23058, The Cash Line, L.L.C., doing business as www.onlineadvance.com and Online Advance is hereby ordered to pay the Commissioner an administrative penalty of two thousand five hundred dollars (\$2,500) for each of the ten (10) Citations A through J for the total amount of twenty-five thousand dollars (\$25,000.00) within thirty (30) days from the date of this citation.

Dated: March 22, 2013
Sacramento, California

JAN LYNN OWEN
Commissioner of Corporations

By: _____
MARY ANN SMITH
Deputy Commissioner