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CALIFORNIA CORPORATIONS COMMISSIONER
9

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

12 In the Matter of the Orders Issued to:) File No.: 100-1786
13)
14 TIGS Enterprises, LLC dba CASH PLUS,) ORDER ISSUING CITATIONS AND TO
15 CASH PLUS, INC., CASH PLUS OFFICE No.) DESIST AND REFRAIN FROM
16 96, and as PAYDAY ADVANCE,) VIOLATIONS (FIN CODE § 23058) AND
17 Respondent.) ORDER VOIDING TRANSACTIONS AND
18) TO DISGORGE ALL CHARGES AND FEES
19) (FIN CODE §23060)
20)
21)

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

24 **I**

25 **INTRODUCTION**

26 On December 31, 2004, the Commissioner issued TIGS Enterprises, LLC, doing business as
27 Cash Plus, Cash Plus, Inc., Cash Plus Office No. 96 and as Payday Advance (“TIGS”), a deferred
28 deposit transaction originator license (No. 100-1786) pursuant to the California Deferred Deposit

1 Transaction Law (“CDDTL”), which is set forth in California Financial Code sections 23000 *et seq.*
2 (All future references are to Financial Code sections unless indicated otherwise.) TIGS’ principal
3 place of business is located at 935 N Harbor Blvd., La Habra, California 90613. Tom Irikawa
4 (“Irikawa”) and Gregory Michael Salvato are Members of TIGS.

5 By reason of the following violations of the CDDTL by TIGS, the Commissioner hereby
6 issues citations to TIGS in the amount of \$19,000, and an order to desist and refrain from further
7 violations pursuant to section 23058. Additionally, pursuant to section 23060, the Commissioner
8 finds void 49 deferred deposit transactions, summarized in and attached hereto as Exhibit A, and
9 orders the refunding of principal amounts provided in those transactions, totaling \$11,645, and
10 further orders disgorgement of all fees in relation thereto in the amount of \$2,880 for a total payment
11 of \$14,525 to its customers.

12 II

13 FACTUAL BACKGROUND

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

17 2. Since at least 2005, TIGS has engaged in the business of offering, originating, or making
18 deferred deposit transactions, as defined by section 23001(a), whereby a customer’s personal check is
19 deferred from being deposited until a specific date, pursuant to a written agreement, for a fee or other
20 charge.

21 3. On May 21, 2008, a regulatory examination of TIGS was conducted by the Department
22 which revealed violations of section 23036(b) which prohibits charging any additional fee or charge
23 of any kind in conjunction with providing a customer an extension or payment plan for repayment of
24 an existing deferred deposit transaction. During the examination, Irikawa informed the Department
25 that he provides TIGS’ customers such extensions for a \$15 fee. Irikawa stated that the customer’s
26 original due date for the transaction is then changed in software used by TIGS and a receipt prints
27 reflecting the new due date. The fee is paid when the customer returns to pay his or her deferred
28 deposit transaction in full.

1 4. Records of TIGS were also provided to the Department showing the extensions or
2 payment plans given to customers for fees or charges. TIGS maintains a series of reports, which
3 when collected and compared by a Department Examiner, reflected varying due dates in instances
4 where the customer was charged an additional fee or charge for the later due date. Specifically, the
5 records reflect that from December 31, 2004 to May 28, 2008, TIGS gave 49 extensions or payment
6 plans to 19 different customers for fees or other charges totaling \$870, which is in addition to the
7 \$2,010 in fees previously charged to the 19 customers for a total of \$2,880 in fees or charges.

8 5. TIGS willfully engaged in violations of the CDDTL by repeatedly charging 19 different
9 customers additional fees or charges in conjunction with extensions or payment plans relating to 49
10 deferred deposit transactions. TIGS' violations therefore warrant citations, the issuance of a desist
11 and refrain order, the refunding of the principal amounts provided in the voided 49 deferred deposit
12 transactions, and disgorgement of all charges and fees in connection with the transactions.

13 III

14 CDDTL VIOLATIONS AND ORDERS

15 A. Authority To Issue Citations And Desist And Refrain Order

16 California Financial Code section 23058, subdivision (a), authorizes the Commissioner to
17 issue citations and provides:

18 If, upon inspection, examination or investigation, based upon a complaint
19 or otherwise, the department has cause to believe that...a licensee or
20 person is violating any provision of this division or any rule or order
21 thereunder, the department may issue a citation to that person in writing,
22 describing with particularity the basis of the citation. Each citation may
23 contain an order to desist and refrain and an assessment of an
24 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.

25 Additionally, the Commissioner is statutorily authorized to order any person or licensee to
26 desist and refrain from engaging in violations of the CDDTL. Financial Code section 23050
27 provides:

28 Whenever, in the opinion of the commissioner...any licensee is violating
any provision of this division, the commissioner may order that...licensee

1 to desist and to refrain from engaging in the business or further violating
2 this division. If within 30 days, after the order is served, a written request
3 for a hearing is filed and no hearing is held within 30 days thereafter, the
order is rescinded.

4 **1. Order Issuing Citations**

5 During the regulatory examination commenced on May 21, 2008, the Department identified
6 \$870 in additional fees or charges for extension or payment plans in violation of section 23036(b) in
7 conjunction with 49 deferred deposit transactions to 19 customers. The facts therefore establish that
8 TIGS has committed 49 violations of section 23036(b). There is no evidence that TIGS has issued
9 any refunds relating to these transactions.

10 Pursuant to section 23058(a), the Commissioner, therefore, is statutorily authorized to issue,
11 and hereby orders TIGS to pay, citations in the amount of \$19,000 representing \$1,000 for each
12 customer charged fees or other charges for extension or payment plans in conjunction with the 49
13 deferred deposit transactions.

14 Pursuant to section 23058(a), the Commissioner further orders TIGS to pay the citations,
15 totaling \$19,000, to the Commissioner within 30 days from the date of this Order. The citations shall
16 remain in full force and effect until further order of the Commissioner.

17 **2. Order to Desist and Refrain**

18 The foregoing facts establish multiple violations of the CDDTL by TIGS. The issuance of a
19 Desist and Refrain Order, therefore, is necessary for the protection of consumers and is consistent
20 with the purposes, policies, and provisions of the CDDTL.

21 Pursuant to sections 23050 and 23058, TIGS Enterprises, LLC doing business as Cash Plus,
22 Cash Plus, Inc., Cash Plus Office No. 96 and as Payday Advance is hereby ordered to desist and
23 refrain from violating California Financial Code section 23036(b). This Order shall remain in full
24 force and effect until further order of the Commissioner.

25 **B. Order Voiding California Deferred Deposit Transactions and to Disgorge All 26 Charges and Fees**

27 California Financial Code section 23060, subdivision (a), states:

28 If any amount other than, or in excess of, the charges or fees permitted by this
division is willfully charged, contracted for, or received, a deferred deposit

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transaction contract shall be void, and no person shall have any right to collect or receive the principal amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

TIGS willfully violated section 23036(b) by repeatedly charging 19 different customers additional fees or charges for extension or payment plans in at least 49 transactions. Because TIGS willfully charged its customers the unauthorized fees or charges, pursuant to section 23060, TIGS is not entitled to collect or receive the principal amount provided in the 49 deferred deposit transactions, nor is it entitled to any of the charges or fees associated with the transactions.

Pursuant to California Financial Code sections 23060, the 49 deferred deposit transactions are therefore void. TIGS Enterprises, LLC, doing business as Cash Plus, Cash Plus, Inc., Cash Plus Office No. 96 and as Payday Advance, is hereby ordered to immediately return to its customers, the principal amount provided in the 49 deferred deposit transactions totaling \$11,645, and to disgorge any and all charges or fees received in conjunction with the 49 deferred deposit transactions, totaling \$2,880, which includes \$870 in unauthorized fees or charges.

Dated: February 19, 2009
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division