

1 SETTLEMENT AGREEMENT

2 This Settlement Agreement ("Agreement") is entered into between Transpacific Currency
3 Services, Inc., a California corporation ("TCS") and Lawrence O'Boyle "(O'Boyle)", on the one
4 hand, and the California Corporations Commissioner ("Commissioner"), on the other hand, and is
5 made with respect to the following facts:

6 RECITALS

7 A. TCS is a corporation in good standing, duly formed and existing pursuant to the laws
8 of the State of California, and authorized to conduct business in the State of California.

9 B. Lawrence O'Boyle is the President of TCS and is authorized to enter into this
10 Agreement on behalf of TCS.

11 C. Since 2002, TCS has been in the business of engaging in deferred deposit transactions
12 by offering and/or originating deferred deposit transactions (i.e. payday loans) under the trade name
13 Transpacific Currency Services. TCS principal place of business is located at 14151 Red Hill Ave.,
14 Tustin, CA 92780. TCS has six other locations throughout Orange County, California.

15 D. TCS was duly licensed and issued a Deferred Deposit Permit by the California
16 Attorney General, Department of Justice from February 2003 to December 2004.

17 E. Pursuant to the passage of Assembly Bill 971 (Chapter 17, Statutes of 2004), anyone
18 intending to engage in the business of deferred deposits on or after December 31, 2004, must file an
19 application with the Department of Corporations for a deferred deposit transaction license. Permits
20 issued by the Department of Justice to engage in the business of deferred deposit transactions are no
21 longer valid after December 31, 2004, jurisdiction having been transferred to the authority of the
22 Department of Corporations.

23 F. TCS received a notice from the Department of Corporations on February 10, 2005
24 indicating that a license application had not been submitted. TCS responded on February 12, 2005,
25 stating it would file the application within 30 days. On March 10, 2005, TCS and O'Boyle
26 submitted the required applications. On April 11, 2005, the Department sent a letter to TCS and
27 O'Boyle indicating that the applications were incomplete and informing O'Boyle that TCS would be
28 unable to engage in the business of deferred deposit transactions after December 31, 2004, without a

1 license issued by the Commissioner of the Department of Corporations.

2 G. TCS contacted the Department between March 10, 2005 and July 18, 2005 to check
3 on the status of the applications. The Department informed TCS that it was waiting for the
4 fingerprint results from the Department of Justice.

5 H. On or about July 18, 2005, the Commissioner commenced an examination of the
6 business activities of TCS and O'Boyle. Pursuant to that examination, the Commissioner contends
7 that TCS and Boyle engaged in the business of deferred deposit transactions by offering and/or
8 originating at least 2,391 deferred deposit transactions, between January 1, 2005 and July 17, 2005.

9 TCS and/or O'Boyle have not been issued a license by the Commissioner authorizing them to
10 engage in the business of deferred deposit transactions under the California Deferred Deposit
11 Transaction Law ("CDDTL") (California Financial Code §§ 23000 et seq.) As a result, the
12 Commissioner contends that TCS and O'Boyle have violated Section 23005 of the California
13 Financial Code.

14 I. It is the desire of the parties to resolve and settle this matter without the necessity of
15 resorting to litigation.

16 **TERMS AND CONDITIONS**

17 In consideration of the terms and conditions set forth herein, the parties agree as follows:

18 1. TCS and O'Boyle, voluntarily consent to the immediate issuance by the
19 Commissioner of a Citation and Desist & Refrain Order. A copy of said Order is attached hereto as
20 Exhibit A and incorporated herein by this reference.

21 2. TCS and O'Boyle acknowledge their right to a hearing pursuant to California
22 Financial Code sections 23050 and 23058 and hereby waive that right to a hearing, and to any
23 reconsideration, appeal or other right to review which may be afforded pursuant to the California
24 Deferred Deposit Transaction Law, the California Administrative Procedure Act, the California
25 Code of Civil Procedure, or any other provision of law in connection with this matter.

26 3. Pursuant to the Citation and Desist and Refrain Order, TCS and O'Boyle, agree to
27 pay to the Commissioner the sum of seventeen thousand five hundred dollars (\$17,500.00) in
28 penalties immediately upon the execution of this Agreement.

1 4. The parties hereby acknowledge that this Agreement is intended to constitute a full,
2 final and complete resolution of the Commissioner's examination into the activities described in
3 paragraph H above, and agree that this settlement encompasses all violations known, through and
4 including the date of this Agreement. However, the Commissioner reserves the right to initiate
5 and/or prosecute TCS and/or O'Boyle, their officers, directors, employees, agents, and/or affiliates
6 for any other violations of the California Deferred Deposit Transaction Law said parties, if such
7 action is based upon facts not presently known to the Commissioner.

8 5. The Department of Corporations agrees that upon execution of this Settlement
9 Agreement it will concurrently issue TCS a Deferred Deposit License for all its locations authorizing
10 it to engage in the business of Deferred Deposit Transactions under the California Deferred Deposit
11 Transaction Law ("CDDTL") (California Financial Code §§ 23000 et seq.).

12 6. Payment of the \$17,500.00 for the assessed penalties will be due on or before August
13 19, 2005.

14 7. This Agreement may be executed in one or more counterparts, each of which shall be
15 an original but all of which, together, shall be deemed to constitute a single document.

16 8. Each signator hereto covenants that he/she possesses all necessary capacity and
17 authority to sign and enter into this Agreement.

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1 9. TCS and O'Boyle warrant and represent that they have read and understood the
2 contents of this Agreement and enter into this Agreement voluntarily and without coercion.

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4 Dated:

8/17/05

WAYNE STRUMPFER
Acting Commissioner of Corporations

5
6 By _____
7 ALAN S. WEINGER
8 Acting Deputy Commissioner

9 Dated:

8/17/05

Transpacific Currency Services, Inc.

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11 By _____
12 ~~LAWRENCE O'BOYLE~~ President

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14 Dated:

8/17/05

15 By _____
16 ~~LAWRENCE O'BOYLE~~ an individual

17 APPROVED AS TO FORM:

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20 By _____
21 RAVINDER MEHTA, Attorney for
22 Transpacific Currency Services, Inc.
23 Lawrence O'Boyle

24 WAYNE STRUMPFER
25 Acting Commissioner of Corporations

26
27 By _____
28 URSULA L. CLEMONS, Corporations Counsel