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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: TWO FAMILIES CREDIT COMPANY, LLC
DBA CASH MART
105 So. Farrell Dr., Suite 41
Palm Springs, CA 92262

CITATIONS
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code section 23050 and 23058)

The California Corporations Commissioner finds that:

1. Two Families Credit Company, LLC dba Cash Mart hereinafter “Licensee” is, and was at all relevant times herein, a limited liability company, with its principal place of business located at 105 So. Farrell Dr., Suite 41, Palm Springs, CA 92262.

2. On or about December 31, 2004, Licensee obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 105 So. Farrell Dr., Suite 41, Palm Springs, CA 92262. (“Location 1”). Subsequently, licensee obtained additional licenses to engage in the business of deferred deposit transactions at the following locations:

69-265 Ramon Rd., #B2, Cathedral City, CA 92234 (“Location 2”).

42-335 Washington St., Palm Desert, CA 92211 (“Location 3”).

8227 Highway 111, Suite A-1, Indio, CA 92201 (“Location 4”).

3081 West Ramsey St., Banning, CA 92220 (“Location 5”).

13-138 Palm Dr., Desert Hot Springs, CA 92240 (“Location 6”).

3. An examination of Licensee conducted by the Commissioner on May 6, 2008 disclosed the following violations at Locations 1 through 6.

Citation A- Location 1. Notice required to be provided to customers prior to entering into deferred deposit transactions failed in include disclosure that the check is being negotiated as part of

1 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
2 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
3 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
4 violation was disclosed to the licensee during the previous regulatory examination conducted on
5 September 5, 2006.

6 Citation B- Location 2. Notice required to be provided to customers prior to entering into
7 deferred deposit transactions failed in include disclosure that the check is being negotiated as part of
8 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
9 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
10 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
11 violation was disclosed to the licensee during the previous regulatory examination conducted on
12 September 5, 2006.

13 Citation C - Location 3. Notice required to be provided to customers prior to entering into
14 deferred deposit transactions failed in include disclosure that the check is being negotiated as part of
15 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
16 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
17 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
18 violation was disclosed to the licensee during the previous regulatory examination conducted on
19 September 5, 2006.

20 Citation D- Location 4. Notice required to be provided to customers prior to entering into
21 deferred deposit transactions failed in include disclosure that the check is being negotiated as part of
22 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
23 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
24 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
25 violation was disclosed to the licensee during the previous regulatory examination conducted on
26 September 5, 2006.

27 Citation E - Location 5. Notice required to be provided to customers prior to entering into
28 deferred deposit transactions failed in include disclosure that the check is being negotiated as part of

1 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
2 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
3 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
4 violation was disclosed to the licensee during the previous regulatory examination conducted on
5 September 5, 2006.

6 Citation F- Location 6. Notice required to be provided to customers prior to entering into
7 deferred deposit transactions failed in include disclosure that the check is being negotiated as part of
8 a deferred deposit transaction made pursuant to California Financial Code section 23035 and is not
9 subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay
10 treble damages if the check does not clear in violation of Financial Code section 23035 (c) (6). This
11 violation was disclosed to the licensee during the previous regulatory examination conducted on
12 September 5, 2006.

13 Citation G – Location 1. The written Agreement failed to contain disclosure that licensee
14 cannot make a deferred deposit transaction contingent on the purchase of another product or service
15 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
16 during the previous regulatory examination conducted on September 5, 2006.

17 Citation H – Location 2. The written Agreement failed to contain disclosure that licensee
18 cannot make a deferred deposit transaction contingent on the purchase of another product or service
19 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
20 during the previous regulatory examination conducted on September 5, 2006.

21 Citation I – Location 3. The written Agreement failed to contain disclosure that licensee
22 cannot make a deferred deposit transaction contingent on the purchase of another product or service
23 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
24 during the previous regulatory examination conducted on September 5, 2006.

25 Citation J - Location 4. The written Agreement failed to contain disclosure that licensee
26 cannot make a deferred deposit transaction contingent on the purchase of another product or service
27 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
28 during the previous regulatory examination conducted on September 5, 2006.

1 Citation K – Location 5. The written Agreement failed to contain disclosure that licensee
 2 cannot make a deferred deposit transaction contingent on the purchase of another product or service
 3 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
 4 during the previous regulatory examination conducted on September 5, 2006.

5 Citation L – Location 6. The written Agreement failed to contain disclosure that licensee
 6 cannot make a deferred deposit transaction contingent on the purchase of another product or service
 7 in violation of Financial Code section 23035 (e) (11). This violation was disclosed to the licensee
 8 during the previous regulatory examination conducted on September 5, 2006.

9 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the
 10 Commissioner an administrative penalty in the total amount of \$30,000 for the following Citations
 11 within 30 days from the date of these Citations.

12	Citation A, Location 1.	\$2,500
13	Citation B, Location 2.	\$2,500
14	Citation C, Location 3.	\$2,500
15	Citation D, Location 4	\$2,500
16	Citation E, Location 5	\$2,500
17	Citation F, Location 6	\$2,500
18	Citation G, Location 7	\$2,500
19	Citation H, Location 8	\$2,500
20	Citation I, Location 9	\$2,500
21	Citation J. Location 10	\$2,500
22	Citation K. Location 11	\$2,500
23	Citation L. Location 12	\$2,500

24 Pursuant to California Financial Code section 23050, Licensee is hereby ordered
 25 to desist and refrain from engaging in the business of deferred deposit transactions in the State of
 26 California in violation of the above referenced sections.

27 These Citations and Desist and Refrain Order are necessary, in the public interest, for the
 28 protection of consumers and is consistent with the purposes, policies and provisions of the

1 California Deferred Deposit Transaction Law. These Citations and Desist and Refrain Order
2 shall remain in full force and effect until further order of the Commissioner.

3 These Citations and Desist and Refrain Order are separate from any further action that may
4 include other administrative, civil or criminal remedies that the Commissioner may take based upon
5 the violations of law cited herein or otherwise.

6
7 California Financial Code section 23058 provides, in relevant part:

8 (a) If, upon inspection, examination or investigation, based upon a
9 complaint or otherwise, the department has cause to believe that a person
10 is engaged in the business of deferred deposit transactions without a license,
11 . . . the department may issue a citation to that person in writing, describing
12 with particularity the basis of the citation. Each citation may contain . . . an
assessment of an administrative penalty not to exceed two thousand five hundred
dollars (\$2,500)

13 . . .
14 (c) If within 30 days from the receipt of the citation of the person cited fails
15 to notify the department that the person intends to request a hearing as
described in subdivision (d), the citation shall be deemed final.

16 (d) Any hearing held under this section shall be conducted in accordance with
17 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2
of the Government Code

18 California Financial Code section 23050 provides:

19 Whenever, in the opinion of the commissioner, any person is engaged in the
20 business of deferred deposit transactions, as defined in this division, without
21 a license from the commissioner, or any licensee is violating any provision
22 of this division, the commissioner may order that person or licensee to desist
23 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.

24 The request for a hearing may be made by delivering or mailing a written request to:

25 Steven Thompson
26 Special Administrator
27 California Deferred Deposit Transaction Law
28 Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
(213) 576-7610

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Dated: September 17, 2008
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law