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

TO: VIP PDL Services, LLC, also known as The VIP Loan Shop
www.theviploanshop.com
4 Solomon’s Arcade, Charlestown
Nevis, West Indies

DESIST AND REFRAIN ORDER
(For violations of Financial Code Section 23005)

The California Corporations Commissioner (“Commissioner”) finds that:

1. VIP PDL Services, LLC, also known as The VIP Loan Shop (“VIP”) is, and was at all relevant times herein, a company of unknown status located outside of the United States. It has a purported business address of 4 Solomon’s Arcade, Charlestown, Nevis, West Indies. VIP maintains a website at www.theviploanshop.com.

2. Since at least 2009, VIP has engaged in the business of offering, originating, or making deferred deposit transactions in California, as defined by the California Deferred Deposit Transaction Law (Fin. Code, § 23000 et seq.) (“CDDTL”) and described below.

3. 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 Financial Code section 23001 includes, “the electronic equivalent of a personal check,” such as an Automated Clearing House (“ACH”) or debit card transaction.

4. VIP offers deferred deposit transactions also known as “payday loans” to California residents by way of telephone at (866) 598-1100 and through its website address at www.theviploanshop.com, as described below.

1 5. VIP borrowers submit an online loan application through the company’s website at
2 www.theviploanshop.com. The borrowers are required to provide their checking account information
3 from which VIP automatically debits payments, fees, and interest from the borrowers. VIP, however,
4 then uses the borrowers’ bank account information to deduct additional charges, sometimes doubling
5 or tripling the amount of the original loan, beyond what the CDDTL allows.

6 6. Financial Code section 23005, subdivision (a) provides that “no person shall offer,
7 originate, or make a deferred deposit transaction, arrange a deferred deposit transaction for a deferred
8 deposit originator, or assist a deferred deposit originator in the origination of a deferred deposit
9 transaction without first obtaining a license from the commissioner.”

10 7. The Commissioner has not issued a deferred deposit transaction originator license to
11 VIP pursuant to the CDDTL. As such, VIP is not authorized to engage in payday lending, or to offer,
12 originate, or make deferred deposit transactions, arrange deferred deposit transactions for a deferred
13 deposit originator, act as an agent for a deferred deposit originator, or assist a deferred deposit
14 originator in the origination of deferred deposit transactions in California or to California residents.

15 Based upon the foregoing, the Commissioner is of the opinion that VIP PDL Services, LLC,
16 also known as The VIP Loan Shop has engaged in the business of deferred deposit transactions
17 without first having applied for and secured a license from the Commissioner, in violation of
18 Financial Code section 23005.

19 VIP PDL Services, LLC, also known as The VIP Loan Shop is hereby ordered to desist and
20 refrain from engaging in the business of offering, originating, or making a deferred deposit
21 transaction, arranging a deferred deposit transaction for a deferred deposit originator, act as an agent
22 for a deferred originator, or assist a deferred deposit originator in the origination of a deferred deposit
23 transaction in the State of California without a license.

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1 This Order is necessary, in the public interest, for the protection of consumers and is
2 consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction
3 Law.

4 This Order shall remain in full force and effect until further order of the Commissioner.

5 Dated: February 14, 2012
6 Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

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9 By _____
10 ALAN S. WEINGER
11 Deputy Commissioner
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