

Deferred Deposit Originator

July 2009 • Issue No. 4

BULLETIN



“What You Need to Know About Payday Loans”



The Department of Corporations is pleased to announce that all licensees will be receiving the second edition of the tri-fold publication entitled, “What You Need To Know About Payday Loans”. In August 2009, the Department will be sending each licensed location 50 copies of the new version, which may be prominently displayed in the two-tier plastic display stand that was provided with the first edition of the publication.

The Department of Corporations appreciates the licensees’ willingness to inform the public about consumer protections under the California Deferred Deposit Transaction Law. With assistance from the licensees, 150,000 copies of the First Edition of this pamphlet (and 75,000 copies of the Spanish translation) have been distributed to the public.

Additional copies of the publication, copies of the Spanish translation and/or the two-tier plastic display stands may be ordered by submitting the request by e-mail to: forms@corp.ca.gov

Guidelines For Complying with the California Deferred Deposit Transaction Law

The following information about a licensee’s obligations and responsibilities regarding certain requirements of the California Deferred Deposit Transaction Law (CDDTL) and the rules and regulations of the Commissioner is provided for your reference. This information is based on exceptions discovered during regulatory examinations and enforcement actions taken against licensees. The March 2006 Deferred Deposit Originator Bulletin also contains guidelines for complying with the CDDTL that you may find helpful. The March 2006 bulletin may be obtained from the Department’s website at www.corp.ca.gov/pub/pdf/0306cddtlbulletin.pdf or by calling the Department’s toll free number at 1-866-ASK-CORP (1-866-275-2677). This information is not, however meant to enumerate all of a licensee’s obligations and responsibilities under the law and the Commissioner’s rules and regulations. Consequently, a licensee should be familiar with all provisions of the law and the rules and regulations.

The California Deferred Deposit Transaction Law is contained in Division 10 of the California Financial Code beginning at Section 23000 et seq. Regulations are contained in Chapter 3, Title 10 of the California Code of Regulations, beginning at Section 2020 et seq. The California Deferred Deposit Transaction Law may be obtained from the Official California Legislative Information website at <http://www.leginfo.ca.gov/calaw.html>. The Regulations are available from the Office of Administrative Law’s website at <http://www.oal.ca.gov/>. There are also other websites available which may provide this information, or it may be purchased from various vendors. Public libraries may also have copies of the law and regulations.

California
Department of
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1. Loans To Military Members And Their Dependents

Effective October 1, 2007, Assembly Bill 7 (Chapter 358, Statutes of 2007), amended the CDDTL requiring licensees making loans to consumers, as specified, to comply with federal consumer protections added by Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public law 109-364), Section 987 of Title 10 of the United States Code, and Section 232 of Title 32 of the Code of Federal Regulations. In general, the federal law:

Defines "consumer credit" to include payday loans, vehicle or title loans, and tax refund anticipation loans (loans); defines "covered borrower" to include military members or their dependents (covered borrowers), as specified; and defines "creditor" as any person engaged in the business of extending credit (lender), as specified.

Requires a lender extending loans to covered borrowers, as defined, to do all of the following as specified more fully in the federal law: (1) limit military annual percentage rates of the loans to no greater than 36%; 2) disclose information regarding rates and payment obligations to covered borrowers; and 3) identify whether loan applicants are covered borrowers.

Prohibits a lender from engaging in any of the following practices, as specified more fully in federal law, in connection with these loans:

- Roll over (e.g., renew, repay, refinance, or consolidate) current loans of covered borrowers with proceeds of other loans made to those same borrowers.
- Require covered borrowers to waive federal or state legal rights afforded to them including any provision of the Servicemembers Civil Relief Act.
- Require covered borrowers to submit to arbitration or to comply with onerous legal notice provisions.
- Demand unreasonable notice from covered

borrowers as a condition for legal action.

- Use a check or other method of access to a deposit, savings, or other financial account as security for loans to covered borrowers.
- Require covered borrowers to establish repayment allotments as a condition to obtaining loans.
- Prohibit covered borrowers from prepaying loans, or charge prepayment penalties.

The regulatory examinations disclosed that most licensees have established procedures to identify whether or not loan applicants are covered borrowers in accordance with the federal law. The problem occurs when licensees only perform the verification procedures for the first loan made to a borrower, but not for subsequent loans. Since many borrowers obtain payday loans over extended periods of time, the status of the borrowers may change. Therefore, lenders are required to verify if the loan applicant is a covered borrower every time a loan is made.

The federal law provides that a lender may use a "covered borrower identification statement" in order to determine if loan applicants are covered borrowers. The covered borrower identification statement can only be used if the lender does not have any information from any other source that the loan applicant is a covered borrower. The covered borrower identification statement must be provided to the loan applicant prior to becoming obligated on the transaction, must be signed by the loan applicant indicating that he or she is or is not a covered borrower and must be substantially similar to the following statement:

Federal law provides important protections to active duty members of the Armed Forces and their dependents. To ensure that these protections are provided to eligible applicants, we require you to sign one of the following statements as applicable:

I AM a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer.

I AM a dependent of a member of the Armed Forces on active duty as described above, because I am the member's spouse, the member's child under the age of eighteen years old, or I am an individual for whom the member provided more than one-half of my financial support for 180 days immediately preceding today's date.

—OR—

I AM NOT a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer (or a dependent of such a member).

Warning: It is important to fill out this form accurately. Knowingly making a false statement on a credit application is a crime

The covered borrower identification statement, if utilized by the lender, must be completed and signed by the loan applicant for every loan.

2. Depositing Of Checks

The CDDTL defines a deferred deposit transaction as a transaction whereby a licensee defers depositing a customer's personal check until a specific date, pursuant to a written agreement. Accordingly, the written agreement should describe the manner in which a customer's check will be deposited and the specific date of deposit. For example, the written agreement should specify if the licensee elects to deposit a customer's personal check by electronic means, including Automatic Clearing House (ACH) transactions. As a general guideline and pursuant to the written agreement, a licensee may deposit a customer's personal check by electronic means once for the full amount after the financial institution dishonors the initial deposit

of the customer's personal check. The licensee is required to have written authorization from the customer that specifies the amounts and dates of any additional deposits of the customer's personal check or withdrawals from the borrower's account by electronic means.

3. Internet Deferred Deposit Transaction Business Locations

Any person that offers, originates or makes a deferred deposit transaction, arranges a deferred deposit transaction for a deferred deposit originator, acts as an agent for a deferred deposit originator or assists a deferred deposit originator in the origination of a deferred deposit transaction is required to obtain a CDDTL license from the Department of Corporations. A licensee can only engage in deferred deposit transaction business at the place of business (address) named in the license. Therefore, a license is required for the place of business where a licensee conducts deferred deposit transaction business over the Internet.

4. Prepaid Debit Cards

The CDDTL prohibits a licensee from making a deferred deposit transaction contingent on the purchase of any other goods or services. Further, a licensee is prohibited from directly or indirectly charging any fees or charges that are not specifically authorized under the CDDTL. Therefore, a licensee cannot require a customer to purchase a prepaid debit card as a condition for qualifying for a deferred deposit transaction. If a prepaid debit card is offered as an option in conjunction with a deferred deposit transaction, the borrower cannot be charged any fees for the initial purchase of the prepaid debit card and the borrower cannot be charged any fees or charges of any kind for the subsequent use of the prepaid debit card. A prepaid debit card cannot be used as a substitute for the customer's personal check required under the CDDTL.

5. Small Claims Court Actions/ Settlements

The small claims court judge hearing the case will determine if court costs and filing fees will be awarded to the licensee. The licensee should not attempt to recover any amounts that exceed what is provided for in the CDDTL through the small claims court action, with the exception of the usual filing fees and court costs. A check issued pursuant to a deferred deposit transaction is not subject to the provisions of Section 1719 of the Civil Code and no customer may be required to pay treble damages if the check does not clear.

The licensee may enter into a settlement agreement with a delinquent borrower in order to resolve a small claims court action, eliminating the necessity of entering a judgment against the borrower. Again, the licensee should not attempt to recover any amounts that exceed what is provided for in the CDDTL through the settlement process, with the exception of out-of-pocket filing fees and court costs. Licensees are required to maintain adequate records to substantiate all amounts charged and recovered through small claims court actions, including but not limited to, judgments, settlements, court costs, filing fees, service fees and any other out-of-pocket fees related to the court action.

6. Simultaneous Loans

The CDDTL prohibits a licensee from entering into a deferred deposit transaction during the period an earlier deferred deposit transaction is in effect for the same customer. The regulatory examinations have disclosed instances where the customer's check is deposited into the bank, and then a new loan is made to the same customer prior to verifying or receiving notification from the bank that the check cleared. The bank then returns the customer's check due to non-sufficient funds, which results in two loans outstanding to the same customer at the same time in violation of the CDDTL.

Licensees should establish procedures to prevent the issuance of a new loan to a customer prior to verification that the existing loan has been paid in full with "good funds".

7. Third Party Collections

If a licensee sells or otherwise transfers the debt at a later date, the licensee is required to clearly disclose in the written agreement that any debt or checks held or transferred pursuant to a deferred deposit transaction made pursuant to Section 23035 of the California Financial Code are not subject to the provisions of Section 1719 of the Civil Code and that no customer may be required to pay treble damages if the check or checks are dishonored.

The regulatory examinations have disclosed the transfer of delinquent deferred deposit transaction accounts to third parties for collection. The collection agencies are then collecting amounts from the borrowers that exceed what is permitted under the CDDTL. Licensees are responsible for ensuring that third party collection agencies do not collect any amounts from the borrowers that exceed what is permitted under the CDDTL. Further, licensees are required to maintain adequate records that reflect the deferred deposit transactions transferred to third parties and the amounts those third parties collected from the borrowers.

8. Deceptive and Misleading Business Practice

The CDDTL prohibits a licensee from engaging in unfair, misleading and deceptive business practices. Though not required or specifically addressed in the CDDTL, many licensees have rescission clauses in the deferred deposit transaction agreements. A typical rescission clause provides that a borrower may rescind the loan, usually within one or two business days from the date of the transaction, by paying back the amount advanced to the borrower and complying with any other terms of the rescission clause. A borrower that pays back the amount advanced within the timeframe specified and complies with the other

terms of the rescission clause is not required to pay the finance charge.

The regulatory examinations disclosed that licensees were collecting the finance charges from borrowers that complied with the terms of the rescission clauses contained in the agreements, which is a misleading and deceptive business practice in violation of the CDDTL.

9. Excess Loan Amounts Collected

The CDDTL provides that the face amount of the customer's personal check or electronic equivalent of the customer's personal check may not exceed \$300 and the fee charged may not exceed 15% of the face amount of the check. A single fee not to exceed \$15 may be charged for the return of a dishonored check in a deferred deposit transaction. A licensee is prohibited from directly or indirectly charging any amounts in excess of what is specifically authorized under the CDDTL.

The regulatory examinations have disclosed that amounts in excess of the loan agreements have been collected from the borrowers. One example involves a borrower that pays off the loan in currency after the customer's check has been deposited into the bank. In this case, the borrower typically informs the licensee that the bank will return the check due to non-sufficient funds. In some cases, the borrower also pays the NSF fee of \$15 in currency. The borrower's check then clears the bank, resulting in the collection of double the amount of the loan and an unauthorized NSF of \$15.

Another example involves a customer that makes partial payments or makes payments pursuant to a payment plan, subsequently failing to pay off the loan or failing to comply with the remaining terms of the payment plan. The licensee then deposits the customer's original check for the full amount of the loan. Once this check has cleared, the licensee has collected amounts in excess of the loan equaling the total of the partial payments received.

A licensee is prohibited from collecting amounts in excess of the loan agreement, except those fees and charges specifically authorized under the CDDTL. This practice is prohibited even if the excess amounts and/or charges are refunded to the customers.

10. Unauthorized Fees and Charges

The face amount of the customer's personal check or electronic equivalent of the customer's personal check may not exceed \$300 and the fee charged may not exceed 15% of the face amount of the check. A licensee may, but is not required to, extend the due date of the loan or enter into a payment plan with the borrower. A licensee is prohibited from charging additional fees or charges of any kind in conjunction with the extension or payment plan. A single fee not to exceed \$15 may be charged for the return of a dishonored check in a deferred deposit transaction. A licensee is prohibited from directly or indirectly charging any amounts in excess of what is specifically authorized under the CDDTL. A licensee is prohibited from passing on to the customer any fees or charges incurred by the licensee in the origination, maintenance or collection of deferred deposit transactions, other than those fees and charges specifically authorized under the CDDTL.

The following discusses examples of unauthorized fees and charges that have been discovered during the regulatory examinations and addressed in the Department's enforcement actions. The list is not intended to be all-inclusive, and therefore does not include all unauthorized fees and charges.

- A licensee that allows a borrower the option of paying off a deferred deposit transaction by credit card cannot charge the borrower any additional fees or charges associated with the use of the credit card.
- A licensee cannot charge a borrower any costs associated with the collection of a delinquent deferred deposit transaction, excluding a single fee of \$15 for the return of a dishonored check. This includes, but is not limited to, labor costs, postage, certified mail fees, telephone charges and any other similar fees or charges incurred by the licensee during the collection of delinquent deferred deposit transactions.

- A borrower cannot be charged bank fees incurred by a licensee in conjunction with a deferred deposit transaction, again with the exception of a single fee of \$15 for the return of a dishonored check. A licensee that elects to cash a deferred deposit check at the borrower's bank cannot pass onto the borrower any check cashing fees or fees charged by the bank for the purchase of a cashier's check, official check or other similar instruments.
- A licensee cannot require a customer to pay any fees for reversing or canceling an electronic debit to the borrower's bank account.

11. Dishonored Check/Non Sufficient Funds Fee

The CDDTL provides that a single fee of \$15 is the exclusive charge for the return of a dishonored (NSF) check by a financial institution. The licensee is prohibited from charging the \$15 NSF fee unless the customer's check, whether manually or electronically deposited, is in fact dishonored and returned by the financial institution. For example, a licensee that elects not to deposit the customer's check due to verification that the customer's bank account does not have sufficient funds to cover the check is prohibited from charging an NSF fee.

The licensee may collect an authorized NSF fee by electronically debiting the customer's bank account only if provided for in the written agreement or separate written authorization is received from the customer. The licensee is prohibited from charging an NSF fee for any check returned by the financial institution that was deposited either manually or electronically by the licensee, pursuant to a payment plan.

2007/2008 Licensing Statistics

Table I shows the number of licenses under the California Deferred Deposit Transaction Law (CDDTL) that were outstanding as of December 31, 2007 and December 31, 2008.

Table I

	Number of Licensed Companies	Number of Additional Licensed Locations	Total Licensed Locations
12/31/07	437	1,966	2,403
12/31/08	418	1,967	2,385

Table II shows the licensing activity for the calendar years 2007 and 2008. The long form application refers to the first license a person applies for under the CDDTL and the short form application refers to a license for an additional location. Applications are subject to abandonment if a deficiency is not corrected within 90 days of notification. Applications are withdrawn at the request of the applicant.

TABLE II

	2007	2008
Long Form Applications Filed	69	56
Short Form Applications Filed	251	197
Long Form Applications Denied	0	0
Short Form Applications Denied	2	3
Long Form Applications Abandoned	8	3
Short Form Applications Abandoned	0	20
Long Form Applications Withdrawn	1	6
Short Form Applications Withdrawn	15	10
Long Form Licenses Surrendered	93	68
Short Form Licenses Surrendered	272	154
Long Form Licenses Revoked	26	12
Short Form Licenses Revoked	6	6
Long Form Licenses Issued)	72	56
Short Form Licenses Issued	236	165

Enforcement Actions

In the February 2007 Deferred Deposit Originator Bulletin, the Department informed all licensees of the common violations that were found during the regulatory examinations and that the level of non-compliance with the CDDTL was a major concern to the Department. One of the main areas of non-compliance involved the failure to provide the consumers with the disclosures required under the CDDTL. In a letter dated July 3, 2007, the Department informed all licensees that disciplinary actions would be imposed against licensees for violations of the CDDTL found during the regulatory examinations. The disciplinary action would include, but not be limited to, a citation not to exceed \$2,500 for each violation and an order to discontinue the violations in accordance with the applicable provisions of the Financial Code. More egregious violations and repeat violations (those licensees that failed to comply with a previous directive from the Department to Discontinue the violations) would result in more severe actions and penalties.

The citations and desist and refrain orders issued to licensees for violations found during the regulatory examinations are summarized in **Table III**.

Table III

	2007	2008	01/01/2009 To 06/30/2009	Total
Number of Companies Issued Citations and Desist and Refrain Orders	26	51	6	83
Total Citations	\$174,750	\$199,750	\$14,500	\$389,000

Table IV summarizes the violations that resulted in the issuance of citations and desist and refrain orders through the regulatory process.

Table IV

Description of Violations	2007 Citations	2008 Citations	01/01/09 to 06/30/09 Citations
Failed to maintain net worth of at least \$25,000 and/or failed to maintain records to demonstrate compliance with the net worth requirements, including quarterly balance sheets (Financial Code section 23007 and California Code of Regulations section 2025)	8	8	2
Failed to conspicuously post its license in its place of business. (Financial Code section 23018)	1	11	1
Failed to conduct deferred deposit transaction business under the name contained in the license (Financial Code section 23023)	6	10	1
Failed to maintain sufficient books and records that would allow the Commissioner to determine if the licensee is in compliance with the CDDTL and its rules and regulations, including failure to maintain Agreements and evidence of customer's checks (Financial Code section 23024 and California Code of Regulations section 2025)			1
Licensee filed a false annual report. (Financial Code section 23026 and California Code of Regulations section 2030)	0	1	0
Failed to include disclosure in advertising that company is licensed by the Department of Corporations pursuant to California Deferred Deposit Transaction Law. (Financial Code Section 23027)	10	12	1
Face amount of customer's check exceeded \$300 (Financial Code section 23035)	1	0	0
Licensee made deferred deposit transactions with terms greater than 31 days. (Financial Code section 23035 (a))	0	1	0
Failed to provide notice with required disclosures to customers prior to entering into deferred deposit transactions or provide proof that notice was provided to the customers prior to entering into deferred deposit transactions or notice provided to customers prior to entering into deferred deposit transactions failed to include all required disclosures (Financial Code section 23035 (c)).	20	19	3

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Table IV (continued)

Description of Violations	2007 Citations	2008 Citations	01/01/09 to 06/30/09 Citations
Failed to post notice with required disclosures in conspicuous view of the public at licensed location or notice that was posted in conspicuous view of the public did not contain all required disclosures and/or was not in letters at least ½ inch in height (Financial Code section 23035 (d)).	16	16	2
Failed to include one or more of the required disclosures in the written Agreement (Financial Code Section 23035 (e))	16	39	4
Failed to disclose the correct Annual Percentage Rates in the Agreements (Financial Code sections 23035(e)(1)).	4	12	0
Licensee or an authorized representative of the licensee failed to sign the Agreements. (Financial Code section 23035 (e) (12)).	1	0	0
Licensee electronically debited the customers' bank accounts for less than the full amount of the customer's checks on multiple occasions in order to recover outstanding loan balance. (Financial Code section 23035 (e))	0	2	0
Fees exceeded the maximum allowed of 15% of the face value of the check. (Financial Code section 23036(a))	1	4	0
Licensee charged fees to customers for extensions of time for repayment of deferred deposit transactions. (Financial Code section 23036(b))	1	0	0
Licensee entered into deferred deposit transactions with customers during the period the same customers had existing deferred deposit transactions outstanding. (Financial Code section 23036 (c))	0	1	0
Licensee charged customers unauthorized Automatic Clearing House ("ACH") stop payment fees (Financial Code section 23036(f))	1	0	0
Licensee charged customers Non Sufficient Funds fees in excess of \$15 (Financial Code section 23036(f))	1	0	0
Licensee charged customers fees in excess of the amounts authorized under the CDDTL (Financial Code section 23036 (f)).	1	1	0
Failed to obtain a new customer's check for a subsequent deferred deposit transaction. (Financial Code section 23037 (a)).	1	0	0
Agreements were accepted in which blanks were left to be filled in after execution. (Financial Code section 23037 (h))	2	0	0

Table IV (continued)

Description of Violations	2007 Citations	2008 Citations	01/01/09 to 06/30/09 Citations
Licensee made loans with Annual Percentage Rates ("APRs") that exceeded 36% to customers who were active members of the military or dependents of active military members. (Financial Code section 23038 (a))	0	5	0
Engaged in deferred deposit transaction business without a license under the California Deferred Deposit Transaction Law.	1	1	5
Failed to maintain evidence of customer's personal checks received in conjunction with deferred deposit transactions (California Code of Regulations 2020)	5	6	0

Table V lists the licensees the Department has issued Citations and Desist and Refrain Orders to through the regulatory examinations from January 1, 2007 through June 30, 2009. The orders, including any amended orders and settlement agreements, if applicable, are available on the Department's website at <http://www.corp.ca.gov>.

Table V

Effective Date	Licensee
09/15/2008	Ahmed, Sayed Taqueer dba Cash-4-Checks
08/07/2007	ALI, Inc. dba Premiere Stations
05/22/2008	Allied Cash Advance of California, LLC dba Allied Cash Advance
12/28/2007	All In One Jimenez, Inc. dba Easy Check Cashing
05/13/2008	APA Financial Services, LLC dba Ace Payday Advance & Check Cashing
05/19/2008	Azhid, Asma dba American Check Cashing
06/10/2008	B & B Check Cashing, Inc. dba B & B Check Cashing
05/19/2009	B & R Check Holders, Inc.
08/11/2008	Bawardi, Adel dba BV Cash Advance
07/23/2007	Bridgefund Capital Corp dba Fastbucks Payday Advance
05/19/2008	C & D Management, Inc. dba Cash Box
05/14/2008	California Loan and Jewelry, Inc. dba Advance Check Cashing
06/10/2008	California Quik Check, Inc.
08/08/2008	Camcor, Inc. dba Cash Plus
05/12/2008	Capital Currency, Inc.
05/20/2008	Capital Currency Services, Inc.
08/07/2007	Carbonez, Jean-Paul dba Instant Cash

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Table V (continued)

Effective Date	Licensee
07/23/2008	Celebrity Financial, LLC dba Sherman Oaks Check Cashing I, LP
09/12/2008	Cerventes, Juan Pablo and Ruelas, Veronica dba Check By Check
05/14/2008	Check Advance of San Diego, LLC
12/28/2007	Checks Cashed For Less, Inc.
12/28/2007	Community Payday Advance, LLC
03/24/2009	Cordova, Jose Carmen and Cordova, Guadalupe dba Speed Check Cashing
12/28/2007	Cross-Eyed Toad, LLC dba Cash Plus, LLC
12/28/2007	Cunningham, Michael dba Advance Payday
07/30/2007	Curo, Inc. dba Cash Plus
06/10/2008	Dylanite, Inc.
12/28/2007	Gevorkian, Vaagn dba Money And Checks
08/11/2008	Gibson & Wile Financial Services, LLC
12/28/2007	Haddad, Naidia dba Cash It Quick
12/28/2007	Hubbard, Joseph Barnett dba Cash Til Payday
06/26/2009	IZL Cash & Go, Inc.
06/05/2008	Jain, Harash Bala dba Riverside Cehck Cash "N" Loans
12/28/2007	Jenefer's Bar and Grill dba Nix Check Cashing
08/06/2008	(The) JessChex Corporation dba Jess Chex Financial
09/12/2008	JIL, Inc. dba Checks-N-Advance
05/13/2008	Kings Cash Advance
09/12/2008	LCS, Incorporated
07/11/2007	Left Lane, LLC dba West Coast Cash Payday Loan
02/26/2009	Leon's Discount Store, Saryan, Tony
05/12/2008	Lowry, Deena dba Check Ahead
05/19/2009	Mandalay Financial Services Corp
05/16/2008	Max4Money, Inc. dba Max4Money
07/23/2007	Meister, Walter dba Pay Services Plus
05/13/2008	Mid City Financial Solutions
07/12/2007	Micro Loan One, LLC
07/12/2007	MTS Financial Services, Inc. dba Paycheck XPRE
05/14/2008	Mundo Check Cashing, Inc.
12/28/2007	Nimoy, Mindy dba San Pedro Payday Loans
06/16/2009	P & D Checks For Less, Inc. dba Checks For Cash
07/24/2007	Pal, Tejinder dba Dollar Check Cashing

Table V (continued)

Effective Date	Licensee
07/12/2007	Patel, Radha & Dalal, Swati dba Cash In Flash
08/08/2008	Payday Loan Store of California, Inc.
12/28/2007	Payday Your Way, Inc.
05/13/2008	Pay It Back Check Cashing, Inc. db Papa Cash
12/28/2007	Pragudha Financial Services, Inc. dba MLA Chino Hills Payday Check Cashing; MLA Chino Payday Loan dba MLA Chino 2 Payday Loan
07/16/2008	Pretty Cool, Inc. dba Cool Cash
05/13/2008	Pronto Financial Services, Inc. dba Pronto Cash Advance
06/12/2008	Purington, Thomas W. and Purington, Sharon L. dba Smiley Services
07/17/2008	RFK Investments, Inc. dba Check By Check (and numerous other dbas)
07/21/2008	Rhue, May and Rhue, Jerry dba Speedy Paycheck Advance
09/16/2008	Robinson, Gale dba Money & More
06/10/2008	Service Annex, LLC dba Checking Check Cashing Centers
06/12/2008	Sherman Way Investments, Inc. dba Money 'N' More
05/22/2008	Singh, Surjit dba Stop-N-Shop Liquor #2
03/26/2007	Southwestern & Pacific Specialty Finance, Inc. dba Check 'N Go
06/10/2008	Spaeth, Thomas/Fisher, Richard dba D. D. Fernando's Check Cashing
05/19/2008	Steele, Craig and Lee, Cecilia dba The Buyback Store
07/16/2008	Su Casa De Cambio Cesar Chavez, Inc.
05/14/2008	Sun Cash of San Diego, LLC
06/12/2008	The Check Cashing Place, Inc.
10/21/2008	Thomas, Douglas J. dba Cash Club
09/17/2008	Two Families Credit Company, LLC dba Cash Mart
05/13/2008	Unwin, Richard dba Emergicash/Vashon Services
06/06/2008	U S Mail Etc., Inc.
05/22/2008	Virtual E, Inc. dba Checkmate
06/10/2008	Voicu, Constantin and Voicu, Marian dba Grand Payday Advance
12/28/2007	Wayman, Gary Nicholas dba Postal Connection/Cashman
12/28/2007	Weilbacher, Gregory Michael dba Cash Plus Ventura
07/17/2008	Wentzel, Lad Raymond dba Check-Mate
10/24/2008	West Coast Cash
07/12/2007	Wide Lending Group, Inc. dba Fastbucks
09/16/2008	Xpress Financial Services of Southern California, LLC dba Ready Money

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The disciplinary actions taken by the Department's Enforcement Division against licensees that were assessed penalties/citations and/or were ordered to pay restitution to consumers is summarized in **Table VI**.

Table VI

	2007	2008	01/01/09 To 06/30/09	Total
Number of Enforcement Actions	5	21	7	33
Penalties/Citations	\$100,500	\$625,948	\$238,000	\$964,448
Restitution Ordered To Be Paid To Consumers	\$40,948	\$404,373	\$212,744	\$658,065

Table VII lists the licensees the Department has taken disciplinary actions against under the CDDTL from January 1, 2007 through June 30, 2009, excluding those actions contained in Tables V, VIII and actions taken against persons engaging in deferred deposit transaction business over the Internet without a license under the CDDTL listed in Table IX. The orders and settlement agreements, if applicable, are available on the Department's website at <http://www.corp.ca.gov>.

Table VII

Effective Date	Licensee	Description of Action
02/23/09	Advance America, Cash Advance Centers of California, Inc.	Agreed pursuant to settlement agreement to discontinue regulatory exceptions, pay amount to Department and restitution.
10/07/08	Barber, Robert Jr. and White, Peggy dba Payday Services Today and Payday Today	Order to discontinue engaging in unlicensed deferred deposit transaction business and citations.
02/14/08	Bu Young Lee Co., Inc. dba Omega Financial	Order to discontinue violations, citations and restitution
01/31/08	California Financial Services, Inc. dba The Pawn Shop	Revocation of license, citations and restitution.
06/29/07	Cash Center, Inc.; The Loan Center; TLC; Margaret Diego	Order to desist and refrain from engaging in unlicensed deferred deposit transaction business, order to discontinue violations, citations and restitution.

Table VII (continued)

Effective Date	Licensee	Description of Action
09/16/08	Check Mark Enterprises	Order to discontinue violations, suspension of license, citations and restitution.
01/22/08	Dillingham, Michael Alan dba A-1 Check Cashing and Payday Advance; A-1 Check Cashing	Order to discontinue violations, citations and restitution.
10/30/07	Dillingham, Scott Paul dba A-1 Check Cashing of Anderson; et al.	Order to discontinue violations, citations and restitution.
04/05/07	El-Massri, Chucri dba San Marcos Check Cashing	Revocation of license.
11/02/07	Express Cash And Loan, Inc.	Revocation of license (stayed for three years) and citations.
05/13/08	Faas Financial, Inc. dba FFI Payday Loans;; Faas Enterprises, Inc. dba Cash 4 Checks; Check Cashing Center; FFI payday Loans; FFI PaydayLoans.com	Order to discontinue violations, citations and restitution.
10/30/08	Galt Ventures, Inc. dba Speedy Cash	Order to discontinue violations, citations and restitution
07/13/07	Gomez, Kashia dba Main Street Postal Plus	Revocation of license and restitution.
05/15/07	GVG Financial Services, Inc. dba Cash N More	Order to discontinue violations, citations and restitution.
01/21/09	Hindsco, Inc. dba Cash Now Santa Rosa	Order to discontinue violations and restitution.
05/16/08	Hot Lava Flow, Inc. dba Cash Plus	Surrender of license, citations and restitution.
10/30/07	Hoyt, Martin B. dba A-1 Check Cashing of Corning; A-1 Check Cashing of Orland; A-1 Check Cashing of Chico; Easy Cash Advance and Check Cashing	Order to discontinue violations, citations and restitution.
06/15/09	Hubbard, Joseph Barnett dba Cash Til Payday	Revocation of license.
02/06/08	JRMM, LLC dba Mister Cash	Order to discontinue violations, citations and restitution.
10/07/08	Kellum, Linda C. dba Payday Financial, Payday Services Today	Revocation of license, citations and restitution.
02/25/08	Khoury, Fadi dba Money Palace	Revocation of license and citations.

Deferred Deposit Originator BULLETIN

Table VII (continued)

Effective Date	Licensee	Description of Action
06/09/08	Lee, John	Order to desist and refrain from engaging in unlicensed deferred deposit transaction business, citations and restitution.
03/30/07	Loxley & Star, Inc.	Revocation of license, denial of three license applications.
03/11/09	Max4Money, Inc. dba Max4Money	Revocation of license.
02/28/2007	Mcdermott, Howard S. dba Check Connection Furniture Connection	Order to desist and refrain from engaging in deferred deposit transaction business at unlicensed location.
04/21/08	Merchant Check Cashing; Merchant Check Cashing and Payday Advance; Lisa Sierra; Elizabeth Hernandez; Arimda Merchant	Order to desist and refrain from engaging in unlicensed deferred deposit transaction business and citations.
01/29/08	Middendorp, Middendorp dba Cash Advance California	Revocation of license, citations and restitution.
08/03/07	Money Market Financial, Inc.	Order to discontinue violations and citations.
08/21/07	Mooncha Plus Corporation dba Cash Plus	Revocation of license.
09/10/08	Nafsoosi, Sami dba S & D Financial Management; S & D Advance Payday Financial Management	Surrender licenses, citations and restitution
02/13/07	Okatabetz, Chi S. also referred to as Chi Okabatez dba United Check Cashing	Revocation of license
10/15/07	Or, Darlene L. dba Post Box Plus	Revocation of license.
05/6/08	Payday Advance Express, Inc.	Revocation of license and restitution.
10/23/08	Payday Advance, LLC	Order to discontinue violations, citations and restitution
05/01/08	Pro Check Cashing, Inc.	Revocation of three licenses, leaving one license outstanding, citations and restitution.
08/31/07	Pwgr, Inc. dba Geroge's Check Cashing	Revocation of license.
05/15/07	Rodriguez-Silva, Cain	Order to desist and refrain from engaging in unlicensed deferred deposit transaction business.
03/11/08	Romo, Jose M. dba Money \$ Money Payday Advance	Order to discontinue violations, citations and restitution.
07/25/08	Royal Payday Advance, Inc.	Revocation of license (stayed for three years) and citations.

Table VII (continued)

Effective Date	Licensee	Description of Action
01/17/08	Salter, Judy dba Instant Cash	Order to discontinue violations, citations and final Judgment for permanent injunction issued by Superior Court.
10/30/08	Speedy Cash	Order to discontinue violations, citations and restitution
03/05/08	Yarbrough, James and Yarbrough, Janet dba Cash It Now	Order to discontinue violations, citations and restitution.

Table VIII lists the licenses revoked in 2007, 2008 and the first six months of 2009 for failure to: (1) maintain a surety bond in the amount of \$25,000; (2) pay the annual assessment; (3) file the annual report and/or 2006 survey; and (4) submit customer information to Applied Management and Planning Group (AMPG) for payday loan study. The orders are available on the Department's website at <http://www.corp.ca.gov>.

Table VIII

Date of Order	Licensee	Description
12/06/07	1-Stop Business Center	Failure to submit customer information with AMPG for payday loan study
12/22/08	AP Energy Corporation dba Ace Cash Express	Failure to pay annual assessment
08/06/07	ATM Advance Corporation	Failure to file annual report/2006 survey
12/26/07	Big Bad, LLC dba Fastbucks	Failure to pay annual assessment.
12/22/08	California Quik Check, Inc. dba Vernon Quik Check, Bell Quik Check, Hollywood Quik Check and Inglewood Quik Check	Failure to pay annual assessment
12/06/07	Cash California, LLC	Failure to submit customer information with AMPG for payday loan study
12/06/07	Dat Holdings, Inc.	Failure to submit customer information with AMPG for payday loan study
12/06/07	Excellence in Economic Investment Opportunity, LLC dba Casino Check Cashing	Failure to submit customer information with AMPG for payday loan study
08/06/07	Farm Fresh Market, Inc.	Failure to file annual report/2006 survey
06/19/07	Financial Resource Group, Inc. dba Cash Advance Networks	Failure to file annual report/2006 survey
02/02/09	Gula, J. Brian dba Cash Flow Check Cashing #2	Failure to pay annual assessment

Deferred Deposit Originator BULLETIN

Table VIII (continued)

Date of Order	Licensee	Description
12/06/07	Home Loans Capital Holdings, Inc. dba Home Loans, Etc.	Failure to submit customer information with AMPG for payday loan study
12/06/07	Johnson, Ken/Johnson, Kelly dba Monterey Financial Center	Failure to submit customer information with AMPG for payday loan study
12/11/07	Kalu Corporation	Failure to submit customer information with AMPG for payday loan study
12/06/07	Keast, Chawee dba AAA Payday Advance/The Money Guy	Failure to submit customer information with AMPG for payday loan study
12/06/07	Kilpatrick, Leah M. dba Advance to Go	Failure to submit customer information with AMPG for payday loan study
05/15/08	Le, Mai Khoi dba AAA Cash Stop	Failure to maintain surety bond
12/13/07	Mcdermott, Howard S. dba Check Connection Furniture Connection	Failure to submit customer information with AMPG for payday loan study
12/06/07	Mcloud, Robert dba 234 Group, Inc.	Failure to submit customer information with AMPG for payday loan study
06/19/07	Moneyback, Inc. dba Cash N Advance	Failure to file annual report/2006survey
06/19/07	Nand Family Enterprise, Inc. dba Fast Check Cashing	Failure to file annual report/ 2006survey
06/19/07	Penn, David dba Discount Check Cashing	Failure to file annual report/2006 survey
05/20/09	Pro Check Cashing, Inc.	Failure to maintain surety bond
12/22/08	Richard Dowell, Inc. dba Cash Plus	Failure to pay annual assessment
12/06/07	Scott, Leonard C. Jr. dba Scotty's Check Cashing	Failure to submit customer information with AMPG for payday loan study
05/15/08	Serrano, Ramiro dba Check By Check	Failure to maintain surety bond
01/06/09	Sidher, Ashum and Sidher, Chander Mohan dba Americash Payday Loan Center	Failure to maintain surety bond
01/25/08	SVC Financial And Management, Inc. dba Payday Central	Failure to maintain surety bond.
12/22/08	Torres, Christian dba Christian Torres	Failure to pay annual assessment
12/26/07	Vattadikunnel, George M. dba Don's Liquor and dba Clydes Liquor	Failure to pay annual assessment.
02/25/08	Zoeb, Fazalbhoj dba Check Cashing Plus Mail Center	Failure to pay annual assessment.

Table IX lists the persons the Department has issued desist and refrain orders to for engaging in unlicensed deferred deposit transaction business over the Internet for the period from January 1, 2007 through June 30, 2009. The orders are available on the Department's website at <http://www.corp.ca.gov>

Table IX

Date of Order	Company Name
06/27/08	247advances.com
06/27/08	500 FastCash
06/30/07	Ameriloan; USFastCash; OneClickCash; United Cash Loans; PreferredCashLoans.com; Clive L. Boulton; Internet Cash Advance Marketing, Inc (Civil Action)
07/27/07	Broadmore Ventures; The Loan Shop; Express Cash, Xpress Cash; Westbury Ventures; Plaza Processing; ASAP; PD6 Ventures; DMS Ventures LTS Management
08/27/08	FFD Resources II LLC, doing business as WebPayDay; Loren R. Cook and Associates, Ltd., LLP
06/27/08	FFD Resources III LLC, doing business as Payday Services; Loren R. Cook and Associates, Ltd., LLP
06/27/08	FFD Resources IV LLC, dba Payday Yes; Loren R. Cook and Associates, Ltd., LLP
06/27/08	FTR Processing
01/07/09	Government Employees Credit Center; Ney, Vincent Keith ; Cash Direct Express
01/07/09	Greenlight Funding Group
06/27/08	Huskhawk Marketing
06/27/08	Impact Cash, LLC, Henri, Gary, R.; Leuk, Ratha C.
06/27/08	Instant Loans, Zeidman, Daniel; Silverleaf Management, LLC.
06/27/08	Loan Shop
06/27/08	MTE Financial Group dba Paycheck Today
06/27/08	MTE Financial Services
08/20/07	Mycashnow.com
07/11/08	NLS Cash Advance
02/27/09	Norstar Cash
08/27/08	Northway Broker Ltd., dba Cash Transfer Centers; Northway Financial Corporation Ltd.
10/29/07	Payday Advance Plus, Inc.; Rice, Alvin, C.; Lazowick, Alan
03/03/09	PaydayTrustOnline.com; Biggest-Cash.com
03/06/07	Smyth, Grace; Sabourin, Jeremy; Turner, Joanne; Moore, Whitney; Ash, Paul; Dethomas, Kimberly; Thomas, Kimberly individually and dba Coastline Credit, LTD, Sonic Payday, LTD, PRL Direct and E-Care Contact Centers;
08/27/08	SPD Financial Services dba Speedy Payday Loans
04/08/09	www.onestepcash.com



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