

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians***JAN LYNN OWEN****Commissioner of Business Oversight****MEDIA RELEASE****For Immediate Release**

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Unlicensed Online Payday Lenders Void \$1 Million in Loans to California Borrowers

SACRAMENTO (December 20, 2013) –The Department of Business Oversight has entered into a settlement with Folsom-based TIOR Capital, LLC for violations of the California Deferred Deposit Transaction Law, which regulates payday lending activity in California. As part of the settlement, TIOR Capital, LLC effectively forfeited more than \$1 million in outstanding loans made to California borrowers, agreed to stop violating the law, and will pay \$100,000 in penalties to the state.

In October 2010, Brian Bergfalk of Granite Bay and Eric Quinlan of Folsom began offering unlicensed online payday loans to California consumers through their Nevada-based companies TIOR Capital, LLC, Insight Capital, LLC, VIN Capital, LLC, and CP Investors, LLC.

In February 2012, the Department ordered Bergfalk, Quinlan, TIOR Capital, LLC, and a related California-based company, TTG Services, LLC, to desist and refrain from offering unlicensed payday loans to California residents. The order documented fees exceeding various statutory limits and required the subjects to void all loans and return any collected principal amounts to borrowers.

“The Department of Business Oversight seeks justice for California consumers taken advantage of by lenders who flout state consumer protection laws,” said Commissioner of Business Oversight Jan Lynn Owen.

As a result of the Department’s enforcement action, TIOR shut down its payday loan services at its Folsom office and ceased all payday lending activity in California. Terms of the settlement agreement require the subjects to pay \$100,000 in penalties to the Department, abide by the Department’s order to stop violating the law and accept a permanent civil injunction prohibiting future violations of California’s Deferred Deposit Transaction Law.

The order against TIOR Capital, LLC may be viewed at the Department’s website at www.dbo.ca.gov/enf/.

On July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to become the Department of Business Oversight. California consumers should contact the Department of Business Oversight to check on the licensing and standing of the companies, investments or other financial services they are considering at www.dbo.ca.gov or at the Department's toll-free Consumer Services Office at 1-866-275-2677.

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