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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Cash Central of California, LLC
6785 Bobcat Way, Suite 200
Dublin, Ohio 45016

DESIST AND REFRAIN ORDER

(For violation of California Code of Regulations, title 10, section 1451, subdivision (c))

The Commissioner of Business Oversight finds that:

1. Cash Central of California, LLC (Cash Central), is a California limited liability company with its principal place of business at 6785 Bobcat Way, Suite 200, Dublin, Ohio 45016.

2. Cash Central is a finance lender licensed by the Commissioner under license number 603-J868. Cash Central originates unsecured consumer installment loans from its website at www.cashcentral.com.

3. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of finance lending or brokering under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).¹

4. California Code of Regulations, title 10, section 1451, subdivision (c) provides that “[n]o finance company shall pay any compensation to an unlicensed person or company for soliciting or accepting applications for loans, except for an employee regularly employed at a licensed place of business of the finance company.” Section 1451, subdivision (c) prohibits finance lenders from paying compensation for brokerage services to persons not licensed as brokers under the CFL. (See *ibid.* [finance lender may pay compensation to certain exempted persons or companies for “performing services as a broker”]; Cal. Code Regs., tit. 10, § 1422, subd. (c) [“[F]inance lenders

¹ Effective October 4, 2017, the name of the California Finance Lenders Law changed to the California Financing Law. (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Financing Law means the California Finance Lenders Law before October 4, 2017, and the California Financing Law on and after that date. (Fin. Code, § 22000.)

1 may not pay compensation for brokerage services (i.e., brokerage commission, finder’s fee, referral
2 fees, etc.) to anyone not licensed as a broker under [the CFL].”.)

3 5. On January 4, 2016, the Commissioner began an examination of Cash Central’s CFL
4 business.

5 6. On September 22, 2016, the Commissioner requested that Cash Central provide,
6 among other things, all agreements and addenda containing material terms under which Cash
7 Central, Cash Central’s parent, or any affiliate made payments for referrals or leads for CFL loans.
8 The Commissioner also requested a report of all payments Cash Central made under these
9 agreements. Cash Central produced documents responsive to the Commissioner’s request.

10 7. From 2013 to 2016, Cash Central contracted with 19 companies to solicit or accept
11 applications for CFL loans. None of the companies were employees of Cash Central, and none were
12 licensed under the CFL as finance brokers.

13 8. The agreements between Cash Central and the “lead providers” described the
14 following business arrangement:

15 a. A “lead” was a “consumer applicant” who completed and submitted certain
16 required fields on an “applicable form.”

17 b. Cash Central’s purpose in obtaining leads from the lead provider was to offer
18 and provide “short-term and installment loans” to the consumer applicants associated with the leads.

19 c. The lead provider was to collect and deliver consumer applicants’ information
20 to Cash Central, including desired loan amount, monthly income, and personal identifying
21 information such as date of birth, social security number, and bank account number. One agreement
22 described this transaction as “an electronic transfer of application” or “application data.”

23 d. In exchange, Cash Central agreed to pay the lead provider for each lead that
24 met certain “minimum criteria” or “filter” criteria and was accepted by Cash Central. Some
25 agreements specified the price per lead as an amount “per completed application.”

26 e. The lead provider agreed to obtain consumer applicants’ consent to the
27 sharing of their “nonpublic personal information” with Cash Central and to Cash Central’s obtaining
28 their credit information from a credit-reporting agency.

1 f. In some agreements, the lead provider agreed to retain in its records a lead’s
2 “original application” and consent to the sharing of personal information with Cash Central.

3 9. On its website, Cash Central informs consumers that it might have received their
4 information “from a referral site [they] submitted application information to” and that Cash Central
5 is a lender, not a referral site.

6 10. From 2013 to 2016, Cash Central paid a total of about \$3,376,000.00 to 19 lead
7 providers for soliciting or accepting loan applications under the terms of their agreements.

8 11. Under Financial Code section 22712, “[w]henver, in the opinion of the
9 commissioner, . . . any licensee violates any provision of [the CFL], any provision of an order, or
10 any regulation adopted pursuant to [the CFL], the commissioner may order that . . . licensee to desist
11 and to refrain from . . . further continuing that violation.”

12 Based on the foregoing, the Commissioner is of the opinion that Cash Central paid
13 compensation to unlicensed persons or companies for soliciting or accepting applications for loans in
14 violation of California Code of Regulations, title 10, section 1451, subdivision (c).

15 Accordingly, under Financial Code section 22712, Cash Central is ordered to desist and
16 refrain from further violating California Code of Regulations, title 10, section 1451, subdivision (c).

17 This Order is necessary, in the public interest, for the protection of consumers, and consistent
18 with the purposes, policies, and provisions of the CFL. This Order shall remain in full force and
19 effect until further order of the Commissioner.
20

21 Dated: January 29, 2019
22 Los Angeles, California

23 JAN LYNN OWEN
24 Commissioner of Business Oversight

25 By _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division