

STATE OF CALIFORNIA

DEPARTMENT OF BUSINESS OVERSIGHT

In the Matter of	)	
	)	
	)	
PRECASH, INC.	)	
	)	FINAL ORDER
	)	(Financial Code section 580)
Respondent.	)	
_____	)	

Pursuant to Financial Code section 580, the Commissioner of Business Oversight (Commissioner) hereby orders:

1. PreCash, Inc. (Respondent) shall discontinue all unsafe practices as follows:
  - A. Within ninety (90) days from the effective date of this Order, Respondent shall eliminate and/or correct all apparent violations of law, as more fully set forth in the Report of Examination, dated March 17, 2015. In addition, Respondent shall take all necessary steps to ensure future compliance with all applicable laws and regulations.
  - B. Provision A notwithstanding, effective immediately, Respondent shall comply with the eligible security requirements of Financial Code section 2081.
  - C. Within fifteen (15) days of the date of this Order, Respondent shall provide the Commissioner with a plan that ensures maintenance of sufficient eligible securities at all times. The plan should adequately provide for monitoring of eligible securities and specify actions to correct and mitigate eligible securities shortfalls immediately through increases of liquid assets. If applicable, any credit facilities or borrowing arrangements established should be documented in a formal, written agreement. The plan and its implementation shall be in a form and manner acceptable to the Commissioner.
  - D. Effective immediately, Respondent shall document the process of the termination of or the restructuring (to be compliant with the Money Transmission Act) of all enterprise agent relationships. Such documentation (including, but not limited the date of relationship termination, date of final transaction, and outstanding unpaid transactions) shall be submitted as part of the quarterly progress report required by item L of this Order.

- E. Effective immediately, Respondent shall report as stored value, pursuant to Financial Code section 2003(x), credits held for customers as a result of partial redemption of Evolve Pay Bucks.
- F. Effective immediately, pursuant to Financial Code section 2037(d), Respondent shall obtain proper bonding for all stored value activity.
- G. Within thirty (30) days from the date of this Order, Respondent shall submit an update on the Respondent's progress in retraining and reaccrediting its agents. The update shall include, at a minimum, summary tables of all existing agents and their progress in completing the required training, as well as summary information on the progress of collection of documentation of proper posting of signage pursuant to Financial Code sections 2103(c) and 2105(a). Additional updates shall be provided to the Commissioner in quarterly progress reports as discussed under Item L below.
- H. Within thirty (30) days from the date of this Order, Respondent shall develop and implement recordkeeping procedures to ensure compliance with Financial Code section 2124(b), which requires the maintenance of records of receipts for at least six months.
- I. Within fifteen (15) days from the date of this Order, Respondent shall develop and implement a policy regarding the screening for Specially Designated Nationals, including but not limited to screening for Respondent's bill payment transactions.
- J. Within thirty (30) days from the date of this Order, Respondent shall submit to the Commissioner a detailed explanation of how its proposed accounting for the extinguishment of transmission liabilities is consistent with condition 8(b) of the PreCash, Inc. Conditions of Approval Letter, dated April 8, 2013. Specifically, the explanation shall address the extinguishment of transmission liabilities through third parties and through Respondent's Billocity system. The explanation shall also include detailed descriptions of the products/services, accounting methods, and transmission volumes (both in absolute dollars and relative amounts as a percentage of total volume).
- K. Within thirty (30) days from the date of this Order, Respondent shall conduct a review of all receipts issued by Respondent or its agents to determine if such receipts have been appropriately filed with the Commissioner, as required by Financial Code section 2100(a)(1). Any unfiled receipts shall be immediately filed with the Commissioner.
- L. Within thirty (30) days of the end of each quarter, Respondent shall furnish a progress report to the Commissioner detailing the form and

manner of all actions taken to comply with the provisions of this Order.

2. This Order is effective immediately. Violation of any provision of this Order will be deemed to be conducting business in an unsafe manner and will subject the Respondent to further regulatory enforcement action. The Commissioner reserves the right to amend, revoke or rescind this Order, in whole or in part.

Dated: October 15, 2015.

\_\_\_\_\_/s/\_\_\_\_\_  
JAN LYNN OWEN  
Commissioner of Business Oversight