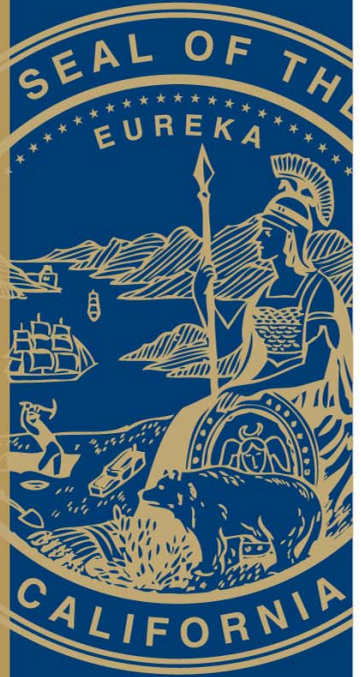


2008 Annual Report

Operation of Deferred
Deposit Originators
under the California
Deferred Deposit
Transaction Law

State of California
Business, Transportation
and Housing Agency

Department of
Corporations



STATE OF CALIFORNIA
ARNOLD SCHWARZENEGGER, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

Preston DuFauchard
California Corporations Commissioner

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California Department of Corporations
Toll-Free 1-866-ASK-CORP (or 275-2677)

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www.corp.ca.gov

This Report includes data submitted by deferred deposit originators licensed under the California Deferred Deposit Transaction Law.

This Report is based on unaudited data presented by licensees and submitted in a format prescribed by the Department of Corporations and licensing statistics. The reader should be aware that the data contained herein is primarily statistical in nature. Certain statistical data compilations required of licensees have been modified to provide more meaningful statistics. To assist in comparing data from prior years, certain statistical data is included in the charts on pages 8 through 13. Comparison of such data with prior years will be left to the reader.

AS OF	NUMBER OF LICENSEES
DECEMBER 31, 2008	2,385
DECEMBER 31, 2007	2,403
DECEMBER 31, 2006	2,493
DECEMBER 31, 2005	2,445
DECEMBER 31, 2004	2,100

California Deferred Deposit Transaction Law Consolidated Annual Reports: Calendar Years 2005, 2006, 2007 and 2008

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Dollar Amount of Deferred Deposit Transactions Made	\$2,479,725,858	\$2,553,427,572	\$2,969,905,917	\$3,092,592,282
Total Number of Deferred Deposit Transactions Made	9,785,004	10,048,422	11,152,466	11,841,014
Total Number of Individual Customers Who Obtained Deferred Deposit Transactions (repeat customers counted once)	1,536,600	1,432,844	1,609,680	1,665,019

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Average Dollar Amount of Deferred Deposit Transactions Made	\$253	\$254	\$266	\$261
Minimum Dollar Amount of Deferred Deposit Transactions Made	\$9	\$10	\$10	\$6
Maximum Dollar Amount of Deferred Deposit Transactions Made	\$1,000*	\$300	\$300	\$300
Average Annual Percentage Rate (APR)	426%	429%	424%	416%
Average Number of Days of Deferred Deposit Transactions	17	16	16	17

* In 2005, 3% of the companies reported a maximum loan amount over \$300 (the maximum allowed under the California Deferred Deposit Transaction Law). The Department of Corporations followed up with those companies that reported making loans greater than \$300 to determine the reasons for the amounts in excess of the limitation.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Number of Returned Checks from Deferred Deposit Transactions	689,540	751,117	823,594	816,605
Percentage of Total Number of Returned Checks to Total Number of Deferred Deposit Transactions Made	7.05%	7.47%	7.38%	6.90%
Total Dollar Amount of Returned Checks from Deferred Deposit Transactions	\$180,993,630	\$186,031,613	\$213,050,882	\$214,887,020
Percentage of Total Dollar Amount of Returned Checks to Total Dollar Amount of Deferred Deposit Transactions Made	7.30%	7.29%	7.17%	6.95%

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Number of Returned Checks from Deferred Deposit Transactions Recovered (includes partial recoveries)	493,780	520,756	492,405	522,157
Percentage of Total Number of Returned Checks from Deferred Deposit Transactions Recovered (includes partial recoveries) to Total Number of Deferred Deposit Transactions Made	5.05%	5.18%	4.42%	4.41%
Total Dollar Amount of Returned Checks Recovered (includes partial recoveries)	\$107,640,408	\$106,441,869	\$115,002,061	\$120,316,378
Percentage of Total Dollar Amount of Returned Checks Recovered (including partial recoveries) to Total Dollar Amount of Deferred Deposit Transactions Made	4.34%	4.17%	3.87%	3.89%

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Number of Checks Charged Off (includes partial balances charged off)	336,498	307,697	355,804	321,555
Percentage of Total Number of Checks Charged Off (including partial balances) to Total Number of Deferred Deposit Transactions Made	3.44%	3.06%	3.19%	2.72%
Total Dollar Amount of Deferred Deposit Transactions Charged Off (includes partial balances charged off)	\$65,216,098	\$74,825,909	\$85,683,626	\$81,783,721
Percentage of Total Dollar Amount of Checks Charged Off (including partial balances charged off) to Total Dollar Amount of Deferred Deposit Transactions Made	2.63%	2.93%	2.89%	2.64%

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Chart 1

Change in Number of Licensed Locations

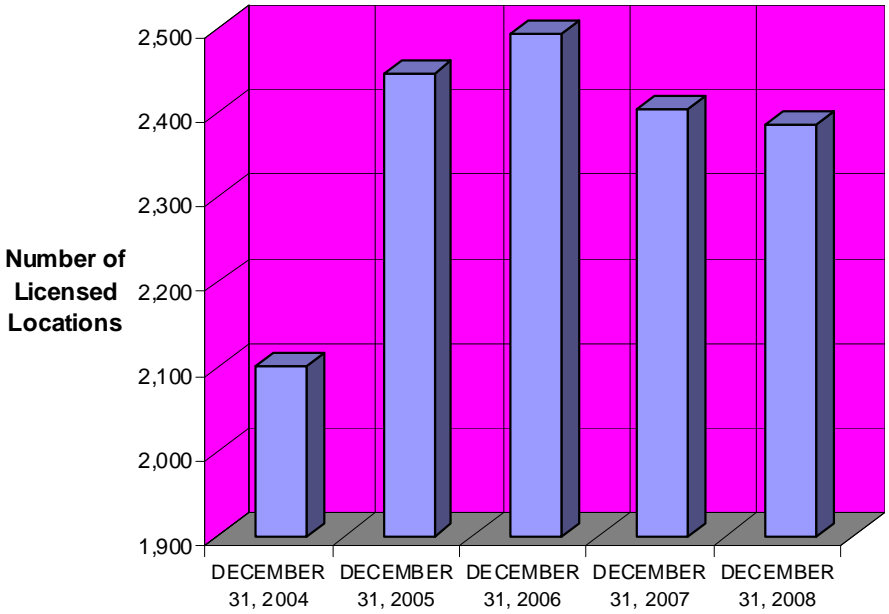


Chart 2

**Change in Dollar Amount of
Deferred Deposits Made**

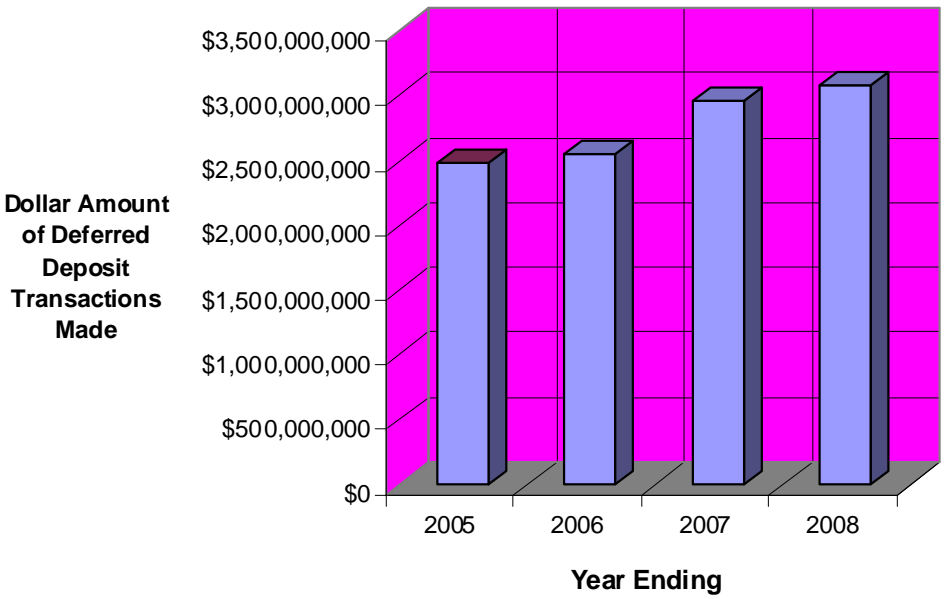


Chart 3

Change in Number of Deferred Deposits Made

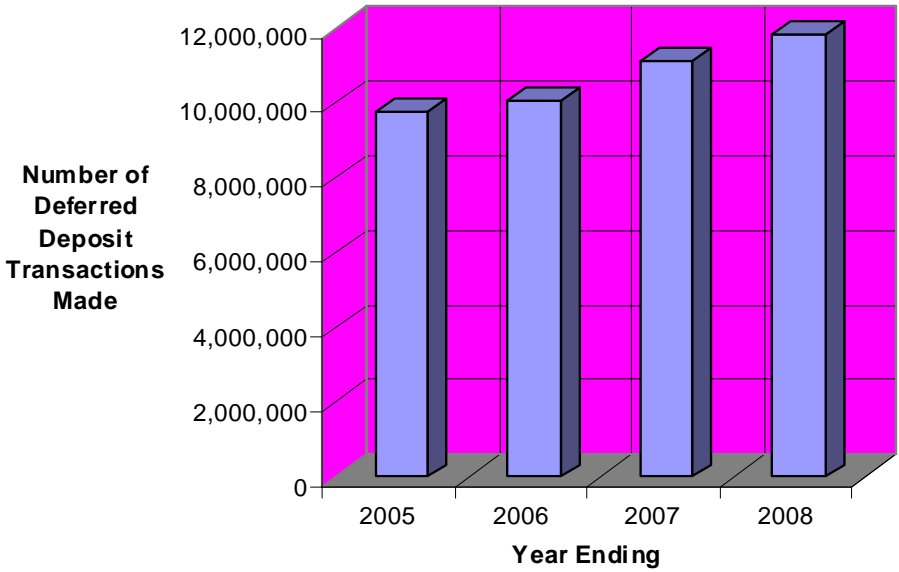


Chart 4

Change in Number of Customers that Obtained Deferred Deposit Transactions

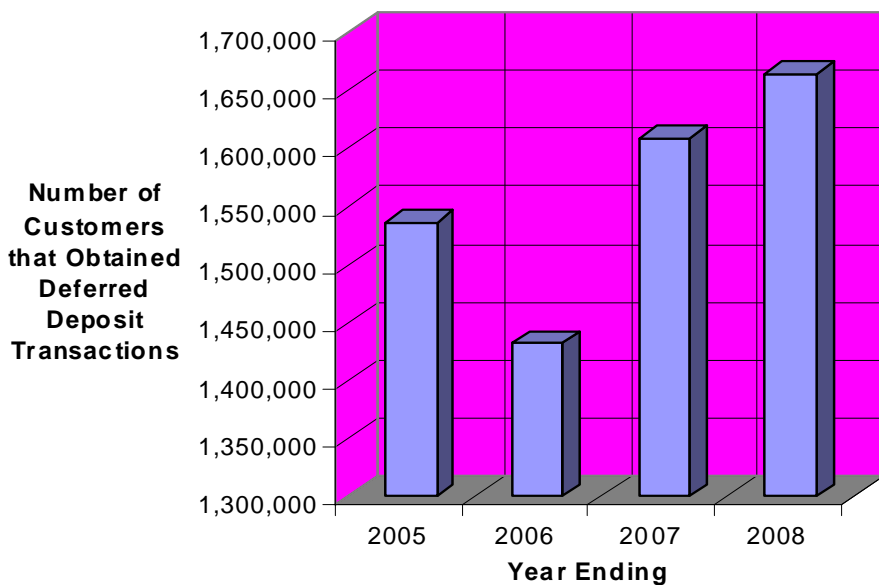


Chart 5

Change in Dollar Amount of Returned Checks

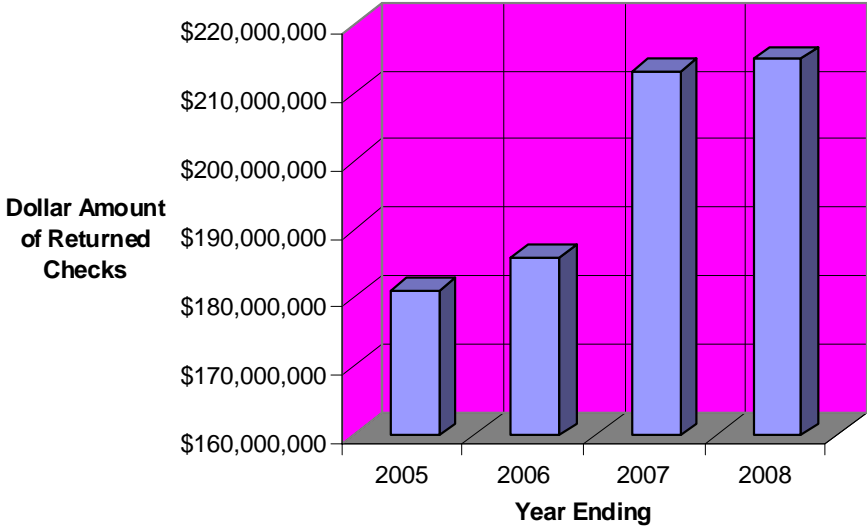
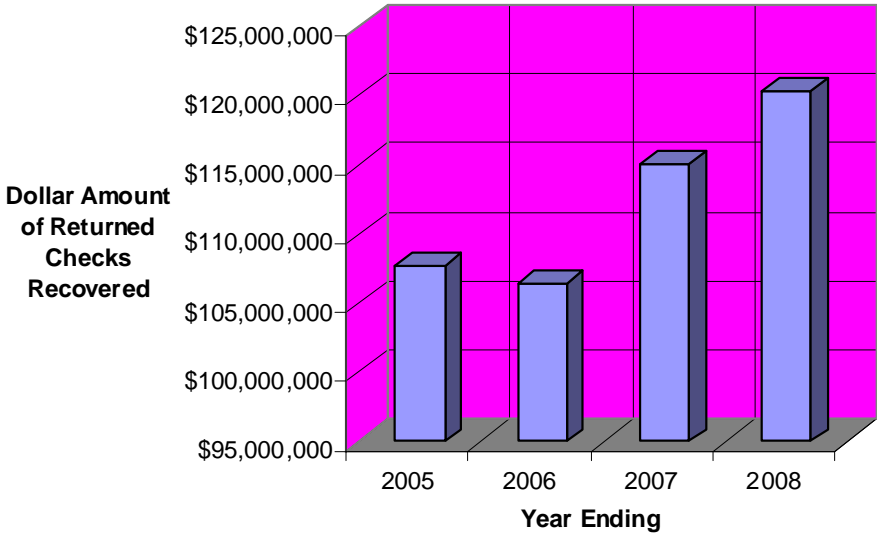


Chart 6

Change in Dollar Amount of Returned Checks Recovered



The information below reflects the licensing activity for the calendar years 2005, 2006, 2007 and 2008. The long form application refers to the first license a person applies for under the California Deferred Deposit Transaction Law and the short form application refers to a license for an additional business 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. To assist in comparing the licensing data from prior years, the total license applications filed, total number licenses surrendered and total number of licenses issued are included in the charts on pages 17 through 19.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Long Form Applications Filed	153	116	69	56
Short Form Applications Filed	521	256	251	197
Total Applications Filed	674	372	320	253
Long Form Applications Denied	4	2	0	0
Short Form Applications Denied	4	0	2	3
Total Applications Denied	8	2	2	3

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Long Form Applications Abandoned	28	8	8	3
Short Form Applications Abandoned	3	1	0	20
Total Applications Abandoned	31	9	8	23
Long Form Applications Withdrawn	52	3	1	6
Short Form Applications Withdrawn	71	4	15	10
Total Applications Withdrawn	123	7	16	16
Long Form Licenses Surrendered	58	79	93	68
Short Form Licenses Surrendered	297	188	272	154
Total Licenses Surrendered	355	267	365	222

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Long Form Licenses Revoked	0	14	26	12
Short Form Licenses Revoked	0	8	6	6
Total Licenses Revoked	0	22	32	18
Long Form Licenses Issued	148	96	72	56
Short Form Licenses Issued	552	241	236	165
Total Licenses Issued	700	337	308	221

Chart 8

Number of License Applications Filed

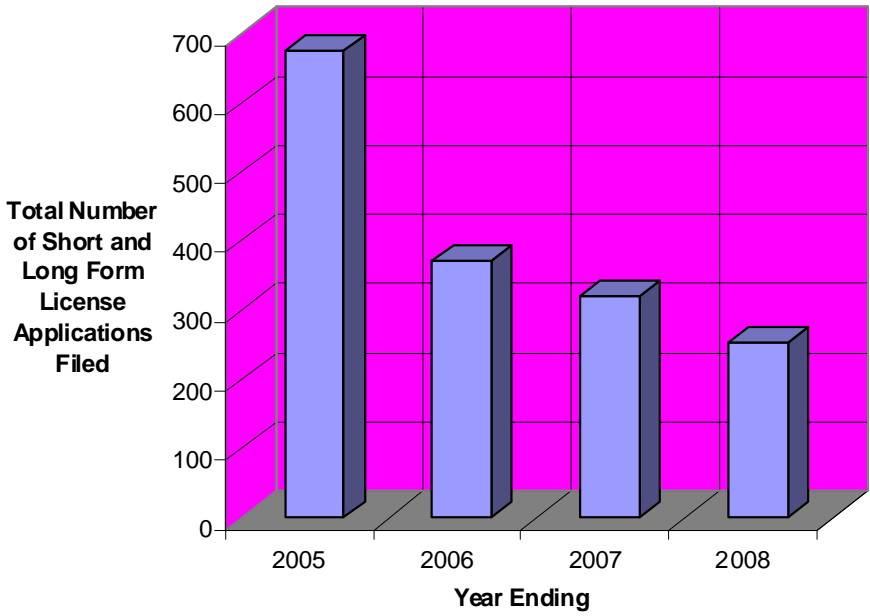


Chart 9

Number of Licenses Surrendered

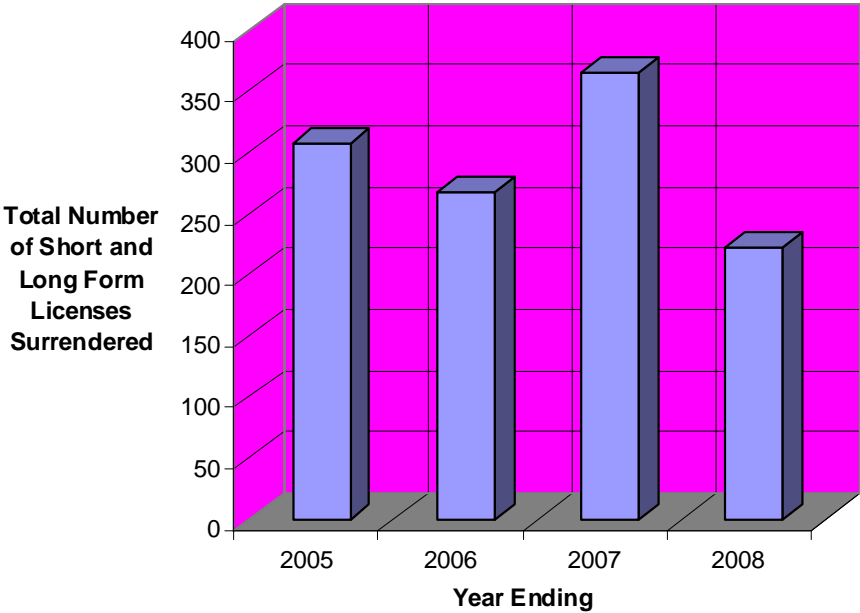
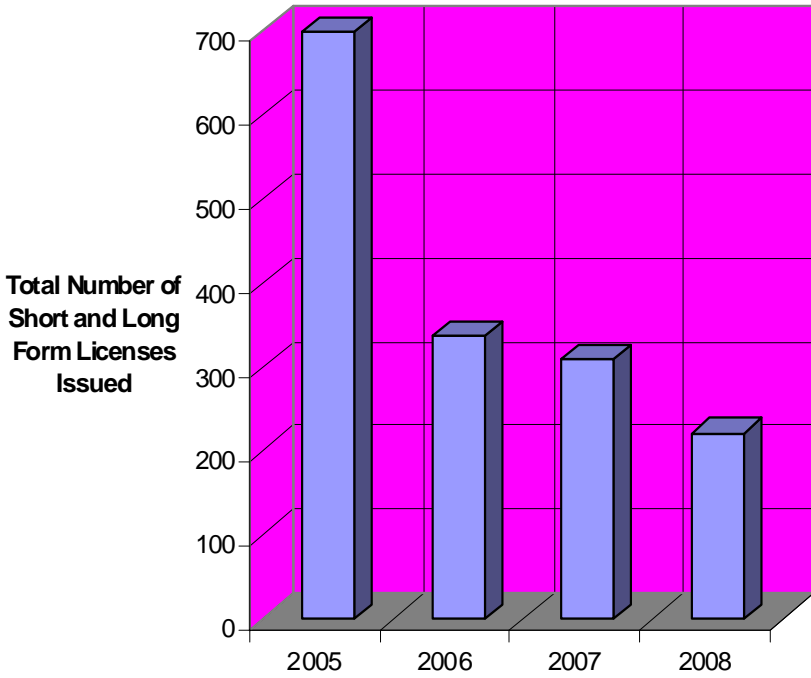


Chart 10

Number of Licenses Issued



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California Department of Corporations

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Materials presented in this report are a collective effort of
the staff of the California Department of Corporations.

California Department of Corporations

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