

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

4 TO: The States Financial Group
5 Shawn Avila
6 130 North Brand Boulevard
7 Glendale, California 91203

8 DESIST AND REFRAIN ORDER

9 (For violations of section 22100 of the California Financial Code)

10 The Commissioner of Business Oversight finds that:

11 1. At all relevant times, The States Financial Group (TSFG) is, or was, an entity whose
12 legal status is unknown. TSFG’s principal place of business is located at 130 North Brand
13 Boulevard, Glendale California 91203.

14 2. At all relevant times, TSFG operated and maintained an Internet website located at
15 www.statesfinancials.com that is now defunct. TSFG also appears to maintain or be affiliated to a
16 website at www.allamericanpaydayloans.com.

17 3. At all relevant times herein, Shawn Avila (Avila) held himself out to consumers as the
18 president or owner of TSFG.

19 4. At all relevant times herein, TSFG advertised on its website at
20 www.statesfinancials.com that:

21 At States Financial, our mission is to be the best retail provider of
22 financial services by exceeding our customers [sic] expectations....
23 There are many reasons why consumers may need a cash advance.
24 Utility bills are always on the rise, and often there is no money left
25 after your paycheck comes. If an unexpected emergency occurs, a
26 payday loan may be the only option available to quickly get the funds
27 you need. You can apply and qualify 100% online anytime, 24 hours
28 a day at your convenience. Just go to our website and the application
process is easy and confidential.... Once approved for your loan, you
will receive your funds via direct deposit into your bank account.
Your cash advance will be available for you and no questions asked!

1 Go online today to our website at allamericanpaydayloans.com to
2 receive the payday loan you need within the hour! At States
3 Financials, your paycheck is your credit!

4 5. Beginning in or about October 2019, TSGF and Avila engaged in the business of
5 finance lending or broker by offering to secure a loan for at least two California residents.

6 6. In about October 2019, a California resident submitted an application for a loan on
7 TSGF's website at www.statesfinancials.com. Shortly after submitting the application, Avila called
8 the California resident over the telephone offering the California resident a loan of \$10,000.00. Avila
9 demanded that the California resident first send \$1,000.00 to TSGF in order to get the loan.
10 Although the California resident sent \$1,000.00 to TSGF as Avila requested, the California resident
11 did not get the loan as promised. The California resident made several calls to Avila but never
12 received a response back. To date, the California resident has not received the loan promised or the
13 \$1,000.00 the California resident paid TSGF in order to get the loan.

14 7. On or about December 19, 2019, a second California resident, submitted a request for
15 a loan on TSGF's website at www.statesfinancials.com and followed up by calling TSGF's customer
16 service telephone number (530) 268-5597. An individual with a male voice who held himself out as
17 TSGF's staff explained the process for obtaining a loan from TSGF stating, "If you qualify then you
18 pay \$183.00 a month for sixty months on a \$10,000.00 loan, that's about 9.6% interest."

19 8. TSGF's staff further informed the California resident that there were two options for
20 getting a loan. Option one was that if the person qualified by having a good credit rating, the
21 California resident would get the loan immediately and TSGF would not ask for collateral. But if the
22 California resident did not qualify, TSGF would provide an unsecured loan which would require
23 insurance coverage. TSGF's staff informed that "the insurance on a \$10,000.00 loan would require
24 \$300.00 upfront fee, which is refundable once the loan is paid off."

25 9. The Commissioner has not issued a license to TSGF or Avila, authorizing them to
26 engage in the business of a finance lender and/or broker under the California Finance Lenders Law.
27 TSGF and Avila are not exempt from the licensing requirements of California Financial Code section
28 22100.

1 By reason of the foregoing findings, The Commissioner of Business Oversight is of the
2 opinion that TSFG and Avila have engaged in the business of a finance lender and/or broker without
3 having first obtained a license from the Commissioner in violation of California Financial Code
4 section 22100.

5 Pursuant to California Financial Code section 22712, The States Financial Group and Shawn
6 Avila are ordered to desist and refrain from engaging in the business of a finance lender and/or broker
7 in the State of California without first obtaining a license from the Commissioner, or otherwise being
8 exempt.

9 This order is necessary, in the public interest, for the protection of consumers, and is
10 consistent with the purposes, policies, and provisions of the California Finance Lenders Law.

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12 Dated: June 11, 2020
13 Sacramento, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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15 By _____
16 MARY ANN SMITH
17 Deputy Commissioner
18 Enforcement Division

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