

CLOTHILDE V. HEWLETT
Commissioner
MARY ANN SMITH
Deputy Commissioner
SEAN M. ROONEY
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	CFL LICENSE NO.: 60DBO-72511
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,)	
Complainant,)	CONSENT ORDER
v.)	
CASH TIME LOAN CENTERS, CA LLC,)	
Respondent.)	

This Consent Order (Consent Order) is entered into between the Commissioner of Financial Protection and Innovation (Commissioner) and Cash Time Loan Centers, CA LLC (Cash Time), and is made with respect to the following facts:

I.

RECITALS

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

1 B. Cash Time’s principal place of business is 8590 E. Shea Boulevard, Suite 110,
2 Scottsdale, Arizona 85260.

3 C. Scott A. Allen is the Managing Member of Cash Time and is authorized to enter into
4 this Consent Order on Cash Time’s behalf.

5 D. Cash Time was issued a CFL lending license on September 15, 2017.

6 E. On January 1, 2020, Assembly Bill 539, also known as the Fair Access to Credit Act
7 (AB 539) became effective. AB 539 amended the CFL to prohibit licensed lenders from making
8 loans with principal amounts of at least \$2,500.00 but less than \$10,000.00 with interest rates
9 greater than 36% plus the Federal Funds Rate (about 2% during the relevant period).

10 F. Specifically, subsection (a) of Financial Code section 22304.5 provides: For any
11 loan of a bona fide principal amount of at least two thousand five hundred dollars (\$2,500) but less
12 than ten thousand dollars (\$10,000), as determined in accordance with Section 22251, a finance
13 lender may contract for or receive charges at a rate not exceeding an annual simple interest rate of
14 36 percent per annum plus the Federal Funds Rate.

15 G. Financial Code section 22306 provides: No amount in excess of that allowed by this
16 article shall be directly or indirectly charged, contracted for, or received by any person, and the total
17 charges of the finance lender and broker and any other person in the aggregate shall not exceed the
18 maximum rate provided for in this article.

19 H. In October 2021, the Commissioner initiated a regulatory examination of Cash Time.

20 I. The regulatory examination discovered that, in April 2020, Cash Time modified two
21 loans with California consumers with principal amounts of at least \$2,500.00 but less than
22 \$10,000.00 that exceeded the interest rate cap imposed by AB 539. One of these loans had an
23 interest rate of 132%.

24 J. Based on the above, the Commissioner determined that Cash Time has violated the
25 CFL by contracting to receive charges at a rate not exceeding an annual simple interest rate of
26 36 percent per annum plus the Federal Funds Rate, in violation of Financial Code sections 22304.5
27 and 22306.

28 K. On November 10, 2021, Cash Time surrendered its CFL license.

1 L. Although Cash Time surrendered its CFL license, the Commissioner still retains the
2 power to examine, investigate, and prosecute violations of the CFL. Fin. Code, §§ 22000, 22704,
3 22705, 22711.

4 M. On March 4, 2022, the Commissioner served Cash Time with a Demand to Produce
5 Books, Records and Reports (Demand) requesting information about certain Cash Time policies
6 and procedures, as well as additional loan details.

7 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set
8 forth herein, the Parties agree as follows:

9 **II.**

10 **TERMS AND CONDITIONS**

11 1. Purpose. The Commissioner finds that entering into this Consent Order is in the
12 public interest and consistent with the purposes fairly intended by the policies and provisions of the
13 CFL.

14 2. Penalty. Cash Time shall pay an administrative penalty of \$3,500.00 (Penalty) to the
15 Commissioner. Payment of the Penalty shall be made no more than seven days after the Effective
16 Date and should be made in the form of a cashier’s check or Automated Clearing House deposit
17 payable to the “Department of Financial Protection and Innovation” and transmitted to the attention
18 of “Accounting – Litigation” at Department of Financial Protection and Innovation, 2101 Arena
19 Boulevard, Sacramento, California 95834-2036. Notice of such payment shall be forwarded to
20 Taylor Steinbacher, Senior Counsel, at the e-mail address noted in Paragraph 18.

21 3. Consumer Relief. Pursuant to subsection (a) of Financial Code section 22751, Cash
22 Time shall refund to the consumers all interest and charges collected on the two unlawful loans (the
23 Unlawful Loans) and shall be entitled to collect or receive only the principal amount of those loans.
24 The refunds required under this Paragraph shall be made by mailing a check for the total refund
25 amount, if any, to the borrower’s last known address. Notice of any such refunds, including the
26 borrower’s name, last known address, and refund amount, shall be sent to Taylor Steinbacher,
27 Senior Counsel at the e-mail address noted in Paragraph 18, no more than fourteen days from the

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1 Effective Date, as defined in Paragraph 21 below (Effective Date). Cash Time shall cease, or cause
2 to be ceased, all attempts to collect on the Unlawful Loans.

3 4. Withdrawal of Demand. The Demand is hereby withdrawn as of the Effective Date.

4 5. Waiver of Hearing Rights. Cash Time acknowledges the Commissioner is ready,
5 willing, and able to proceed with the filing of an administrative enforcement action on the charges
6 contained in this Consent Order. Cash Time hereby waives the right to any hearings, and to any
7 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL , the
8 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
9 provision of law. Cash Time further expressly waives any requirement for the filing of an
10 Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such
11 rights, Cash Time effectively consents to this Consent Order becoming final.

12 6. Failure to Comply with Consent Order. Cash Time agrees that if it fails to comply
13 with the terms of this Consent Order, the Commissioner may avail herself of all other remedies
14 available to her pursuant to the CFL, the California Administrative Procedure Act, the California
15 Code of Civil Procedure, or any other provision of law in connection therewith until Cash Time is
16 in compliance.

17 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
18 rescinded, and the Commissioner may pursue any and all remedies available under the law against
19 Cash Time if the Commissioner discovers that Cash Time knowingly or willfully withheld or
20 misrepresented information used for and relied upon in this Consent Order.

21 8. Future Actions by Commissioner. If Cash Time fails to comply with any terms of
22 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
23 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
24 against Cash Time, or any of its partners, owners, officers, shareholders, directors, employees or
25 successors for any and all unknown violations of the CFL.

26 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
27 ability to assist a government agency (whether city, county, state, or federal) with any

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1 administrative, civil, or criminal prosecutions brought by that agency against Cash Time or any
2 other person based upon any of the activities alleged in this matter or otherwise.

3 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
4 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
5 the provisions hereof.

6 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
7 interest.

8 12. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
9 Consent Order it has relied solely on the statements set forth herein and the advice of its own
10 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
11 Order it has placed no reliance on any statement, representation, or promise of any other party, or
12 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
13 person or entity to make any statement, representation or disclosure of anything whatsoever. The
14 Parties have included this clause: (1) to preclude any claim that any party was in any way
15 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
16 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

17 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
18 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.
19 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
20 provision. No waiver by either party of any breach of, or of compliance with, any condition or
21 provision of this Consent Order by the other party will be considered a waiver of any other condition
22 or provision or of the same condition or provision at another time.

23 14. Full Integration. This Consent Order is the final written expression and the complete
24 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
25 between the Parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the Parties, their respective representatives, and any other person or entity, with
28 respect to the subject matter covered hereby.

1 15. Governing Law. This Consent Order will be governed by and construed in
2 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,
3 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
4 forum to the maintenance of such action or proceeding in such court.

5 16. Counterparts. This Consent Order may be executed in one or more separate
6 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
7 together constitute a single document.

8 17. Effect Upon Future Proceedings. If Cash Time applies for any license, permit or
9 qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future
10 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
11 admitted for the purpose of such application(s) or proceeding(s).

12 18. Voluntary Agreement. Cash Time enters into this Consent Order voluntarily and
13 without coercion and acknowledges that no promises, threats or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
15 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
16 without any duress or undue influence of any kind from any source.

17 19. Notice. Any notice required under this Consent Order shall be provided to each
18 party at the following addresses.

- 19 i. To Cash Time:
20 Scott A. Allen
21 Managing Member, Cash Time Loan Centers, CA LLC
22 8590 E. Shea Boulevard, Suite 110
23 Scottsdale, Arizona 85260
24 ssa@cashtime.com
- 25 ii. To the Commissioner:
26 Taylor Steinbacher, Senior Counsel
27 Department of Financial Protection and Innovation
28 320 West 4th Street, Suite 750
 Los Angeles, California 90013-2344
 Taylor.Steinbacher@dfpi.ca.gov

20. Signatures. A fax or electronic signature shall be deemed the same as an original
signature.

1 21. Public Record. Cash Time hereby acknowledges that this Consent Order is and will
2 be a matter of public record.

3 22. Effective Date. This Consent Order shall become final and effective when signed by
4 all Parties and delivered by the Commissioner’s agent via e-mail to Cash Time at
5 ssa@cashtime.com.

6 23. Authority to Sign. Each signatory hereto covenants that he or she possesses all
7 necessary capacity and authority to sign and enter into this Consent Order and undertake the
8 obligations set forth herein.

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10 Dated: April 6, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

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12 By: _____
MARY ANN SMITH
13 Deputy Commissioner

14 Dated: April 3, 2022

CASH TIME LOAN CENTERS CA, LLC

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16 By: _____
17 Scott A. Allen
18 Managing Member
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