

1 a CDDTL license was required in order to engage in the business of deferred deposit transactions
2 as Sonic received a written notice to this effect from the Commissioner on or about March 15,
3 2006, sent via the email link on the Sonic web site and facsimile machine, and written
4 communication with solicitors for Sonic informing them that a license was required to accept or
5 arrange for deferred deposit loans in the State of California.

6 7. Based on information obtained in the course of an investigation, and promotional
7 “testimonials” contained on the Sonic web site, it appeared that Sonic was conducting deferred
8 deposit lending activity involving residents of the State of California. In addition, Sonic engaged
9 in these transactions without providing the customer/borrower a written contract as required and
10 was also charging excessive interest and fees, in some cases exceeding 25% for a two-week loan,
11 in violation of the CDDTL.

12 8. As a result of the investigation, the Commissioner sent a letter dated March 15,
13 2006, demanding that Sonic cease its direct deposit lending activity in the State without first
14 securing a license as required, and also requested certain information from Sonic. Counsel for
15 Sonic responded that Sonic was a corporation licensed in the country of Ireland and conducted its
16 lending activity strictly on the internet, claiming that as a result, it was exempt from the laws of
17 the State of California and exempt from the authority of the Commissioner. However, the
18 authority of the Commissioner is codified in Financial Code §23005 which states in part:

19 No person shall offer, originate, or make a deferred deposit transaction, arrange a
20 deferred deposit transaction for a deferred deposit originator, act as an agent for a
21 deferred deposit originator, or assist a deferred deposit originator in the
22 origination of a deferred deposit transaction without first obtaining a license from
23 the commissioner and complying with the provisions of this division.

24 The term “person” as defined by Financial Code §23001(e) includes “an individual, a
25 corporation, a partnership, a limited liability company” Sonic Payday Limited is a limited
26 liability company, although licensed in the country of Ireland. There is no exemption for offers
27 or transactions conducted over the internet.

28 9. There is no evidence that any application has been submitted, or a bond obtained.
No CDDTL license has ever been issued to Joanne Turner or Sonic Payday Limited.
Notwithstanding numerous notifications regarding the licensure requirement, Joanne Turner and

1 Sonic Payday Limited willfully and knowingly continue to engage in deferred deposit business
2 without a license from the Commissioner.

3 By reason of the foregoing, JOANNE TURNER and SONIC PAYDAY LIMITED aka
4 SONIC PAYDAY, LTD. have engaged in the business of deferred deposit transactions without
5 having first obtained a license from the Commissioner in violation of California Financial Code
6 section 23005.

7 Pursuant to California Financial Code section 23050, JOANNE TURNER and SONIC
8 PAYDAY LIMITED aka SONIC PAYDAY, LTD. are hereby ordered to desist and refrain from
9 engaging in the business of deferred deposit transactions in the State of California without first
10 obtaining a license from the Commissioner, or otherwise being exempt. This Order is necessary,
11 in the public interest, for the protection of consumers and is consistent with the purposes, policies
12 and provisions of the California Deferred Deposit Transaction Law. This order shall remain in
13 full force and effect until further order of the Commissioner.

14 California Financial Code section 23050 provides in pertinent part:

15 Whenever, in the opinion of the commissioner, any person is engaged in
16 the business of deferred deposit transactions, as defined in this division,
17 without a license from the commissioner . . . the commissioner may order
18 that person or licensee to desist and to refrain from engaging in the
19 business If, within 30 days, after the order is served, a written request
for a hearing is filed and no hearing is held within 30 days thereafter, the
order is rescinded.

20 Dated: May 10, 2006
21 Los Angeles, CA

22 WAYNE STRUMPFER
23 Acting Corporations Commissioner

24 By _____
25 Steven C. Thompson
26 Special Administrator
27 California Deferred Deposit Transaction Law
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