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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: JEAN-PAUL CARBONEZ dba INSTANT CASH
24050 Alessandro Boulevard, A-4
Moreno Valley, CA 92550

CITATIONS
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code section 23058)

The California Corporations Commissioner finds that:

1. Jean-Paul Carbonez doing business as Instant Cash hereinafter “Licensee” is, and was at all relevant times herein, an individual with its principal place of business located at 24050 Alessandro Boulevard, A-4, Moreno Valley 92550.

2. On or about January 31, 2006, Licensee obtained a license from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at 24050 Alessandro Boulevard, A-4, Moreno Valley 92550.

3. An examination of Licensee conducted by the Commissioner on June 4, 2007 disclosed the following violations at 24050 Alessandro Boulevard, A-4, Moreno Valley 92550

Citation A. Licensee failed to include the Department’s toll free number, which is 1-(866) Ask Corp (275-2677), in the notice distributed to the customer prior to entering into the agreement in violation of Financial Code section 23035 (c) (4).

Citation B. Licensee failed to include disclosure that the check is being negotiated as part of a deferred deposit transaction pursuant to section 23035 of the Financial Code and is not subject to the provisions of 1719 of the Civil Code and that no customer shall be required to pay treble damages if the check does not clear in the notice distributed to the customer prior to entering into the agreement in violation of Financial Code section 23035 (c) (6).

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1 Citation C. Licensee failed to disclose the correct Annual Percentage Rate in the
2 Agreements in violation of California Financial Code sections 23035(e)(1).

3 Citation D. The notice required to be conspicuously posted in the unobstructed view of the
4 public in letters not less than ½ inch in height did not include the disclosure that the licensee cannot
5 use the criminal process against a consumer to collect any deferred deposit transaction in violation of
6 California Financial Code section 23035 (d) (1).

7 Citation E. The notice required to be conspicuously posted in the unobstructed view of the
8 public in letters not less than ½ inch in height did not contain a schedule of all the fees and charges
9 that would be charged on deferred deposit transactions with an example of the fees and charges that
10 would be charged on at least a \$100 and \$200 deferred deposit transaction, payable in 30 days,
11 giving the corresponding annual percentage rate in violation of Financial Code section 23035 (d) (2)

12 Citation F. Licensee failed to maintain records demonstrating minimum net worth of
13 \$25,000 in compliance with California Financial Code Section 23007, including quarterly unaudited
14 balance sheets, in violation of California Code of Regulations section 2025 (b).

15 Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the
16 Commissioner an administrative penalty in the total amount of \$10,000 for the following Citations
17 within 30 days from the date of these Citations.

- 18 Citation A. \$1,500
- 19 Citation B. \$1,500
- 20 Citation C. \$1,500
- 21 Citation D. \$1,500
- 22 Citation E. \$1,500
- 23 Citation F. \$2,500

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25 Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist
26 and refrain from engaging in the business of deferred deposit transactions in the State of
27 California in violation of the above referenced sections.

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These Citations and Desist and Refrain Order are necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. These Citations and Desist and Refrain Order shall remain in full force and effect until further order of the Commissioner.

These Citations and Desist and Refrain Order are separate from any further action that may include other administrative, civil or criminal remedies that the Commissioner may take based upon the violations of law cited herein or otherwise.

California Financial Code section 23058 provides, in relevant part:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500)

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. 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.

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The request for a hearing may be made by delivering or mailing a written request to:

Steven Thompson
Special Administrator
California Deferred Deposit Transaction Law
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
(213) 576-7610

Dated: August 7, 2007
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law