

1 3. Since at least 2005, East Side Lenders has engaged in the business of deferred
2 deposit transactions by offering, originating and making deferred deposit transactions as described
3 below.

4 4. A deferred deposit transaction is a written transaction whereby one person gives funds
5 to another person upon receipt of a personal check and it is agreed that the personal check shall
6 not be deposited until a later date. These loans are sometimes referred to as “payday advances”
7 or “payday loans.”

8 5. East Side Lenders solicited California consumers offering them “instant approval” of
9 “loans easy to renew” and “money in your account in 24 hours” and toll free support. East Side
10 Lenders used toll free number (866) 569-6636 and, at times, (800) 689-5603 for “collections” calls.

11 6. East Side Lenders would then arrange for an electronic deposit into the consumer’s
12 bank account of the funds between \$400 and \$500 for each payday loan, amounts in violation of
13 California Financial Code section 23035. East Side Lenders required consumers to give them
14 access to withdraw funds from the consumer’s bank account. However, East Side Lenders would
15 repeatedly withdraw funds from the consumer’s bank account by Automated Clearing House
16 (ACH) debits every two weeks, in amounts that exceed the statutory limits found in California
17 Financial Code section 23036. In some cases East Side Lenders would take as much in fees as
18 the amount of the loan.

19 7. East Side Lenders continued to withdraw funds from the consumer’s bank
20 account in excess of the agreed upon amount for repayment of the payday loan. When
21 consumers objected to East Side Lenders’ successive withdrawals of funds from their bank
22 account, East Side Lenders failed to respond to them. Despite the complaint from consumers,
23 East Side Lenders continued to overcharge them. Consumers found it necessary to close their
24 respective bank account to prevent further unauthorized withdrawals by East Side Lenders. After
25 East Side Lenders discovered they could no longer continue to withdraw funds from a
26 consumer’s closed bank account, East Side Lender would send collection letters from its
27 “Collection Department” or threaten consumers with legal action. East Side Lenders’ operations
28 are in violation of California Financial Code section 23037.

