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13 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
14 OF THE STATE OF CALIFORNIA

15 In the Matter of)
16 THE COMMISSIONER OF BUSINESS)
17 OVERSIGHT,) DESIST AND REFRAIN ORDER PURSUANT
18) TO CALIFORNIA FINANCIAL CODE
19) SECTION 23050; and
20 Complainant,)
21 v.) ORDER VOIDING TRANSACTIONS AND
22) TO DISGORGE ALL CHARGES AND FEES
23) PURSUANT TO CALIFORNIA FINANCIAL
24) CODE SECTION 23060
25)
26)
27)
28 Respondent)
_____)

29 Complainant, the Commissioner of the Department of Business Oversight (“Commissioner”
30 or “Department”), is informed and believes, and based on such information and belief, finds as
31 follows:

32 I.
33 **FACTUAL BACKGROUND**

1 Cash Cure, LLC, also known as cashcure.com, (“Cash Cure”), is located at 405 North King
2 Street, Suite 505, Wilmington, Delaware 19801. Cash Cure is a Delaware limited liability company,
3 and is licensed by the State of Delaware Office of the State Bank Commissioner. Michael Beattie is
4 the listed contact person for Cash Cure. Cash Cure transacts business in California by way of the
5 internet.

6 Since at least May 2012, Cash Cure has offered deferred deposit transactions or “payday
7 loans” to California residents by way of telephone number (877) 591-5175, Facsimile number 1-877-
8 591-5176, email address CS@CashCure.com, and by way of internet website address
9 www.cashcure.com.

10 A deferred deposit transaction is a written transaction whereby one person gives funds to
11 another person upon receipt of a personal check, and it is agreed that the personal check will not be
12 deposited until a later date. “Personal check”, as referenced in California Financial Code section
13 23001, includes “the electronic equivalent of a personal check,” such as an Automated Clearing
14 House (“ACH”) or debit card transaction.

15 Since at least May 2012, Cash Cure has engaged in the business of offering, originating, or
16 making deferred deposit transactions in California, as defined by the California Deferred Deposit
17 Transaction Law (“CDDTL”), as set forth in California Financial Code sections 23000 *et seq.*,
18 whereby Cash Cure either defers depositing the customer’s personal check or defers making an
19 agreed upon ACH deduction until a specific date pursuant to a written agreement for a fee or other
20 charge.

21 Cash Cure customers submit an online loan application through their website,
22 www.cashcure.com. Customers are required to provide their checking account information from
23 which Cash Cure eventually automatically debits payments, fees, and interest from the borrowers.

24 Cash Cure has not been issued a deferred deposit transaction originator license by the
25 Commissioner pursuant to the CDDTL. As such, Cash Cure is not authorized to engage in payday
26 lending, or to offer, originate, or make a deferred deposit transaction, arrange a deferred deposit
27 transaction for a deferred deposit originator, act as an agent for a deferred deposit originator, or assist
28 a deferred deposit originator in the origination of a deferred deposit transaction in California or to

1 California residents.

2 **II.**

3 **CDDTL VIOLATIONS AND ORDERS**

4 The Department is responsible for enforcing all provisions of the CDDTL, including the
5 regulation of deferred deposit transactions.

6 **A. Desist and Refrain Order**

7 The Commissioner is statutorily authorized to order any person to desist and refrain from
8 engaging in violations of the CDDTL. California Financial Code section 23050 provides, in pertinent
9 part:

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

17 The foregoing facts establish violations of the CDDTL by Cash Cure, including engaging in
18 the business of originating or offering to originate deferred deposit transactions without having first
19 obtained a license to do so from the Commissioner in violation of section 23005(a). The issuance of a
20 Desist and Refrain Order, therefore, is necessary for the protection of consumers and is consistent
21 with the purposes, policies, and provisions of the CDDTL.

22 Pursuant to California Financial Code section 23050, Cash Cure, LLC is hereby ordered to
23 desist and refrain from violating California Financial Code section 23005(a). This Order shall remain
24 in full force and effect until further order of the Commissioner.

25 **B. Order Voiding California Deferred Deposit Transactions**

26 California Financial Code section 23060, subdivision (b), states:

27 If any provision of this division is willfully violated in the making or
28 collection of a deferred deposit transaction, the deferred deposit transaction
contract shall be void, and no person shall have any right to collect or
receive any amount provided in the deferred deposit transaction, any
charges, or fees in connection with the transaction.

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Cash Cure willfully violated provisions of the CDDTL, by making and collecting upon deferred deposit transactions with California customers without a license, in violation of section 23005. Consequently, Cash Cure is not entitled to collect or receive the principal amounts provided in those deferred deposit transactions, nor is it entitled to any of the charges or fees associated with the transactions.

Pursuant to California Financial Code section 23060(b), any and all deferred deposit transactions contracted with California customers or in the State of California by Cash Cure, LLC are therefore void. Cash Cure, LLC is hereby ordered to immediately cease collecting all principal amounts, and return all principal amounts, provided in any and all deferred deposit transactions contracted with California customers or in the State of California, and to disgorge any and all charges or fees received in conjunction with those deferred deposit transactions.

Dated: August 19, 2013
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division