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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of THE COMMISSIONER OF) DESIST AND REFRAIN ORDER PURSUANT
12 BUSINESS OVERSIGHT,) TO CALIFORNIA FINANCIAL CODE
) SECTION 23050;
13 Complainant,) ORDER VOIDING TRANSACTIONS
14 v.) PURSUANT TO CALIFORNIA FINANCIAL
) CODE SECTION 23060; and
15 PDLNOW.com, a.k.a. PDLNOW) ORDER LEVYING ADMINSTRATIVE
) PENALTIES FOR CITATIONS ISSUED TO
16) RESPONDENT PDLNOW.COM, a.k.a.
17 Respondent.) PDLNOW PURSUANT TO CALIFORNIA
) FINANCIAL CODE SECTION 23058
18)
19)

20 Complainant, the Commissioner of Business Oversight of the State of California
21 (“Commissioner” or “Department”), is informed and believes, and based on such information and
22 belief, finds as follows:

23 I.
24 **FACTUAL BACKGROUND**

25 1. PDLNOW.com, also known as (“a.k.a.”) PDLNOW (collectively, “PDL”), is a
26 business entity of unknown formation with its principal place of business believed to be located at
27 4341 Regal Avenue, NE, Cedar Rapids, Iowa, 52402.

Pursuant to Financial Code section 23050, PDLNOW.com, a.k.a. PDLNOW is hereby ordered to desist and refrain from violating Financial Code sections 23005 and 23036. This Order is necessary for the protection of consumers and consistent with the purposes, policies, and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

III.
ORDER VOIDING CALIFORNIA DEFERRED DEPOSIT TRANSACTIONS

California Financial Code section 23060 provides:

(a) If any amount other than, or in excess of, the charges or fees permitted by this division is willfully charged, contracted for, or received, a deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive the principal amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

(b) If any provision of this division is willfully violated in the making or 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.

Pursuant to California Financial Code section 23060, any and all deferred deposit transactions contracted with California customers or in the state of California by PDLNOW.com, a.k.a. PDLNOW are therefore void. PDLNOW.com, a.k.a. PDLNOW is hereby ordered to immediately cease collecting all principal amounts, 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.

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IV.
CITATIONS

For the CDDTL violations by PDLNOW.com, a.k.a. PDLNOW, the Commissioner herein issues two (2) separate citations, Citation A and Citation B:

CITATION A – On or about January 18, 2012, PDLNOW.com, a.k.a. PDLNOW originated a deferred deposit transaction with at least one (1) California resident through the website, www.pdlnow.com, without a license, in violation of Financial Code section 23005;

CITATION B – From about January, 2012 to May, 2013, PDLNOW.com, a.k.a. PDLNOW, after originating a deferred deposit transaction with at least one (1) California resident through the website www.pdlnow.com without a license, charged excessive transaction fees for that transaction, in violation of section 23036(a);

California Financial Code section 23058 gives the Commissioner the authority to issue citations for the foregoing CDDTL violations. Section 23058 states in pertinent 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, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500). All penalties collected under this section shall be deposited in the State Corporations Fund.

V.
ORDER LEVYING ADMINISTRATIVE PENALTIES
FOR CITATIONS

Pursuant to Financial Code section 23058, PDLNOW.com, a.k.a. PDLNOW is hereby ordered to pay the Commissioner an administrative penalty of two thousand five hundred dollars (\$2,500.00) for each Citation A and Citation B for the total amount of five thousand dollars (\$5,000.00). Administrative penalties for Citation A and Citation B shall be payable by check to the California Department of Business Oversight, to the attention of Marisa I. Urteaga-Watkins, at 1515 K Street, Suite 200, Sacramento, CA 95814, within thirty (30) calendar days from the

1 date Citation A and Citation B are deemed final. Administrative penalties for Citation A and
2 Citation B are necessary in the public interest for the protection of consumers and are consistent
3 with the purposes, policies, and provisions of the CDDTL.

4 Dated: November 26, 2013
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Corporations

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9 By: _____
10 MARY ANN SMITH
11 Deputy Commissioner
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