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10 BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

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12 In the Matter of the Request for a Hearing on the )  
Desist and Refrain Order issued by the )  
13 California Corporations Commissioner, )  
Complainant, ) Statement in Support of the  
14 ) Desist and Refrain Order  
15 v. )  
16 Broadmore Ventures et al., )  
17 Respondents. )  
18

19 Complainant, the California Corporations Commissioner, (“Commissioner”) is informed and  
20 believes, and based upon such information and belief, alleges and charges Respondents as follows:

21 INTRODUCTION

22 1. The Commissioner of the California Department of Corporations (“Department”) is  
23 responsible for enforcing all provisions of the California Deferred Deposit Transaction Law  
24 (“CDDTL”) set forth in California Financial Code sections 23000 et seq. (All future section  
25 references are to the Financial Code unless indicated otherwise.) Respondents, Broadmore  
26 Ventures, The Loan Shop, Express Cash, Xpress Cash, Westbury Ventures, Plaza Processing,  
27 ASAP, PD6 Ventures, DMS Marketing, and LTS Management engaged in multiple CDDTL  
28 violations.

1 On July 27, 2007, the Commissioner issued a Desist and Refrain Order to Respondents pursuant to  
2 section 23050 for violations of the legal standards required of all deferred deposit transaction  
3 originators. Respondents requested a hearing concerning the Department’s action.

4 **I**

5 **FACTS AND PROCEDUAL BACKGROUND**

6 2. Broadmore Ventures, The Loan Shop, Express Cash, Xpress Cash, Westbury  
7 Ventures, Plaza Processing, ASAP, PD6 Ventures, DMS Marketing, LTS Management and its  
8 affiliates (all hereinafter referred to as “Broadmore”) operate at 2756 N. Green Valley Parkway,  
9 Suite 871, Henderson, Nevada 99014 and at 10120 S. Eastern Avenue, Suite 200, Henderson,  
10 Nevada 89052.

11 3. The Commissioner has not issued a license to Broadmore to engage in the business of  
12 deferred deposit transactions pursuant to California Financial Code section 23005. Broadmore is  
13 not exempt from the licensing requirement of the CDDTL.

14 4. Since at least April 2005 Broadmore has engaged in the business of deferred deposit  
15 transactions by offering, originating and making deferred deposit transactions as described below.

16 5. A deferred deposit transaction is a written transaction whereby one person gives  
17 funds to another person upon receipt of a personal check with the agreement that the personal  
18 check shall not be deposited until a later date. These transactions are sometimes referred to as  
19 “payday advances” or “payday loans.”

20 6. California consumers received unsolicited advertisements from Broadmore offering  
21 potential customers funds of approximately \$300 until their next payday.

22 7. Broadmore would arrange for an electronic deposit of funds to the consumer’s  
23 respective bank account and Broadmore had access to withdraw the \$300 plus their fee on the  
24 due date of the deferred deposit transaction.

25 8. However, when the day due on the deferred deposit transaction came due Broadmore  
26 would not withdraw the agreed upon repayment from the consumer’s bank account, even though  
27 adequate funds were available to do so. Instead Broadmore would withdraw \$90, which they  
28 stated consisted of their \$45 fee and a \$45 interest charge.



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14. Section 23036, subdivisions (a), (c), (e) and (f), limit fees and transactions stating:

(a) A fee for a deferred deposit transaction shall not exceed 15 percent of the face amount of the check.

(c) A licensee shall not enter into an agreement for a deferred deposit transaction with a customer during the period of time that an earlier written agreement for a deferred deposit transaction for the same customer is in effect.

(e) A fee not to exceed fifteen dollars (\$15) may be charged for the return of a dishonored check by a depository institution in a deferred deposit transaction. A single fee charged pursuant to this subdivision is the exclusive charge for a dishonored check. No fee may be added for late payment.

(f) No amount in excess of the amounts authorized by this section shall be directly or indirectly charged by a licensee pursuant to a deferred deposit transaction.

15. Section 23037 limits a licensee’s transactions and activities and in relevant part states:

In no case shall a licensee do any of the following:

(a) Accept or use the same check for a subsequent transaction, or permit a customer to pay off all or a portion of one deferred deposit transaction with the proceeds of another.

...

(f) engage in any unfair, unlawful, or deceptive conduct, or make any statement that is likely to mislead in connection with the business of deferred deposit transaction.

16. Pursuant to section 23050, the Commissioner ordered Respondents to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of sections 23005, 23036 and 23037. The Commissioner’s Desist and Refrain Order was properly issued and necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL.

**CONCLUSION**

Complainant finds that Respondents, Broadmore Ventures, The Loan Shop, Express Cash, Xpress Cash, Westbury Ventures, Plaza Processing, ASAP, PD6 Ventures, DMS Marketing, and LTS Management violated sections 23005, 23036, and 23037. The Commissioner is justified in issuing a Desist and Refrain Order to Respondents pursuant to section 23050.

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WHEREFORE, Complainant, the California Corporations Commissioner prays that

The Desist and Refrain Order issued pursuant to Financial Code section 23050 be affirmed to prohibit Respondents from violating Financial Code sections 23005, 23036, and 23037.

Dated: August 28, 2007  
San Francisco, California

Respectfully submitted,

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_

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