

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into as of May 5, 2008, by and between the Complainant, the California Corporations Commissioner (“Commissioner”), and Respondent, Brenda Middendorp doing business as Cash Advance California (hereinafter collectively “the Parties”).

RECITALS

This Agreement is made with reference to the following facts:

A. Cash Advance California is the fictitious business name for principal Brenda Middendorp. Cash Advance California has its principal place of business located at 3645 Eureka Way, Redding, California 96001.

B. Brenda Middendorp is the only principal of Cash Advance California and is authorized to enter into this Agreement on behalf of Cash Advance California, her business.

C. Brenda Middendorp dba Cash Advance California holds license number 100-2597 from the Commissioner under the California Deferred Deposit Transaction Law (“CDDTL”) pursuant to California Financial Code sections 23005, 23008 and 23009.

D. On January 29, 2008, the Commissioner issued an Accusation to Respondent for violations of California Financial Code 23000 et seq., served to Respondent on February 5, 2008.

E. It is the intention of the parties to resolve this matter without the necessity of an administrative hearing or other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the parties agree as follows:

TERMS AND CONDITIONS

1. **Purpose.** The purpose of this Agreement is to resolve the Accusation expeditiously, avoid the expense of a hearing, and possible further court proceedings.
2. **Waiver of Hearing Rights.** Respondent acknowledges its right to a hearing under the CDDTL in connection with the Accusation and hereby waives that right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CDDTL, the California Administrative Procedure Act (“APA”), the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consents to the agreement becoming final.

3. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from its attorneys with respect to the advisability of executing this Agreement. Respondent acknowledges that it consulted with attorney Michael Fitzpatrick, prior to entering into this Agreement.

4. Admissions. Respondent admits the FACTS stated below Roman numeral I in the Accusation, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner. It is the intent and understanding between the parties that this Agreement, and particularly the admissions of Respondent herein, shall not be binding or admissible against it in any action(s) with third parties.

5. Revocation. Respondent hereby agrees to the issuance by the Commissioner of an Order Revoking Respondent's CDDTL license pursuant to Financial Code section 23052 ("Revocation"). This revocation precludes Respondent from engaging in any CDDTL activities after May 31, 2008. This revocation does not preclude Respondent from engaging in pure collection activities that permit: (1) receipt of cash from customers for existing transactions entered into before May 31, 2008, (2) forwarding any checks received from Respondent's clients to Respondent's bank for deposit relating to transactions entered into before May 31, 2008, (3) responding to regulatory inquiries from the Department of Corporations or other agencies, (4) making refunds described in paragraph 6 below and (5) otherwise responding to customer inquiries concerning existing transactions. Respondent agrees that it will not apply for reconsideration, renewal or another CDDTL license for a period of five years after the date of this Settlement, or until May 31, 2013.

6. Voiding of Transactions/Refunds to Consumers. Respondent hereby agrees to void the transactions described in the Accusation and to immediately offer to refund all amounts to Respondent's clients that they paid to the Shasta County Office of the District Attorney ("DA"). Respondent agrees to offer or refund \$6356.94 plus any additional amount paid by each consumer who participated in the DA's Bad Check Program and made payments to the DA's Office, and further agrees that failure to do so shall be a breach of this Agreement and the amounts due as refunds and the full citations of \$255,000 as prayed for in the Accusation shall become due and payable immediately. Furthermore, the Commissioner may proceed under Financial Code section 23058(e) for the issuance of a judgment and order. Respondent will obtain documentation from the Shasta County District Attorney regarding all payments made to the DA's office, and provide such documentation and make representation to the Department of Corporations that it has made such offer or refund to each consumer at his/her last known address no later than June 13, 2008. Any amounts remaining unclaimed by clients on November 30, 2008, shall escheat to the State of California.

7. Citations. Respondent hereby agrees to pay to the Commissioner one thousand five hundred dollars (\$1500) for the Citations ("Citation Payment") on or before May 31, 2008. If payment is not received by May 31, 2008, then the amount of the citations prayed for in the Accusation (\$255,000) shall become due and payable. The Citations shall be made payable to the California Department of Corporations and delivered to the Department of Corporations' Sacramento Office to the attention of Senior Corporations Counsel Brent

Lindgren who will timely provide a document to Respondent that acknowledges the Department's receipt of the Citation Payment.

8. Costs of Regulatory Examination. Respondent hereby agrees to pay to the Commissioner one thousand four hundred and twenty-five dollars and thirty-five cents (\$1425.35) to reimburse the Department of Corporations the costs associated with the regulatory examinations conducted by the Financial Services Division on or before May 31, 2008. If payment is not received by May 31, 2008, then the amount of the citations prayed for in the Accusation (\$255,000) shall become due and payable. These costs shall be paid to the California Department of Corporations and delivered to the Department of Corporations' Sacramento Office to the attention of Senior Corporations Counsel Brent Lindgren who will timely provide a document to Respondent that acknowledges the Department's receipt of the payment.

9. Future Actions by the Commissioner. The Commissioner reserves the right to bring any future actions against Respondent or any of its partners, owners, employees or successors of Respondent for any and all unknown or future violations of the CDDTL. This Agreement shall not serve to exculpate Respondent or any of the partners, owners, employees or successors of Respondent from liability for any and all unknown or future violations of the CDDTL. If it is found, after the execution of this Agreement and Revocation that Respondent has at any time violated any of the statutes and/or rules set forth in the Accusation or Agreement, the Commissioner reserves the right to take further action against Respondent, including but not limited to, imposing penalties and requesting restitution of all CDDTL transactions originated in breach of this Agreement. Respondent acknowledges and agrees that the Revocation provided for above in paragraph 5 shall not be the exclusive remedy available to the Commissioner in pursuing future violations but may be sought and employed in addition to any other remedy available pursuant to the CDDTL.

10. Settlement Agreement Coverage. This Agreement is intended by both parties to constitute a full, final and complete resolution of the Accusation. The parties further agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Respondent based upon any of the activities alleged in this matter or otherwise. Each of the parties represents, warrants, and agrees that in executing this Agreement, it has relied solely on the statements set forth herein and the advice of its own counsel and has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

11. Full Integration. This Agreement, including the attached Accusation is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements,

negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity.

12. No Presumption From Drafting. In that the parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

13. Effective Date. This Agreement shall not become effective until signed by Respondent and delivered by all parties. The Commissioner shall file this Agreement with the Office of Administrative Hearings five days after execution by the parties.

14. Counterparts. This Agreement may be executed in any number of counterparts by the Parties, and when each Party has signed and delivered at least one such counterpart to the other Party, each counterpart shall be deemed an original and taken together shall constitute one and the same Agreement.

15. Modifications and Qualified Integration. No amendment, change or modification of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the parties affected by it.

16. Headings and Governing Law. The headings to the paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Agreement shall be construed and enforced in accordance with and governed by California law.

17. Authority For Settlement. Respondent covenants that it possesses all necessary capacity and authority to sign and enter into this Agreement. Each Party warrants and represents that such Party is fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of the foregoing, each Party warrants and represents that it is fully entitled to enter into the covenants, and undertake the obligations set forth herein.

18. Public Record. Respondent acknowledges that this Agreement is a public record.

19. Voluntary Agreement. The Parties each represent and acknowledge that she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

20. Notices. Notice shall be provided to each party at the following addresses:

If to Respondent to: Fitzpatrick Law Offices Attn: Michael Fitzpatrick
1135 Pine Street, Suite 107, Redding, California 96049

If to the Commissioner to: Steven C. Thompson, Special Administrator
Financial Services Div. Department of Corporations
320 W. 4th Street, Suite 750. Los Angeles, CA 90013

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: _____

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division

BRENDA MIDDENDORP dba CASH ADVANCE CALIFORNIA

Dated: _____

By _____
BRENDA MIDDENDORP
Principal

Dated: _____

By _____
BRENDA MIDDENDORP
an individual

Dated: _____

Approved as to form by Respondents' counsel

By _____
Michael Fitzpatrick, Esq.
Fitzpatrick Law Offices