MARY ANN SMITH  
Deputy Commissioner  
SEAN M. ROONEY  
Assistant Chief Counsel  
ADAM J. WRIGHT (State Bar No. 262378)  
Senior Counsel  
SAMUEL PARK (State Bar No. 293902)  
Counsel  
Department of Business Oversight  
320 West 4th Street, Suite 750  
Los Angeles, California 90013  
Telephone: (213) 576-7523  
Facsimile: (213) 576-7181  
Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:  
THE COMMISSIONER OF BUSINESS OVERSIGHT,  
Complainant,  
v.  
QUICK CASH FUNDING, LLC,  
Respondent.

This Consent Order (Consent Order) is entered into between the Commissioner of Business Oversight (Commissioner) and Quick Cash Funding, LLC (collectively with the Commissioner, the Parties and each, a Party) and is made with respect to the following facts:

**RECITALS**

A. Quick Cash Funding, LLC (QC) is a California limited liability company with its principal place of business at 777 North First Street, Suite 420, San Jose, California 95112. QC is a finance lender licensed by the Commissioner pursuant to the California Financing Law (Fin. Code, §
22000, et seq.) (CFL), with the license number 605-3535. As of December 31, 2016, QC had 9 locations in the state of California, each with its own individual CFL branch license number.

B. The Department of Business Oversight, through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and brokering pursuant to the CFL.

C. The CFL is intended to: ensure an adequate supply of credit to borrowers in California; simplify, clarify, and modernize the law governing loans made by finance lenders; foster competition among finance lenders; protect borrowers against unfair practices by some lenders, having due regard for the interests of legitimate and scrupulous lenders; permit and encourage the development of fair and economically sound lending practices; and encourage and foster a sound economic climate in this state. (Fin. Code, § 22001(a).)

D. Mike Shim is the chief executive officer of QC and, as such, is authorized to enter into this Consent Order on behalf of QC.

E. Resulting from a companywide regulatory examination of QC, commencing on August 10, 2015, the Commissioner found that QC charged some borrowers in excess of the rates of charges prescribed by Financial Code sections 22303, 22304, and 22305. Although these loans had principal amounts of $2,500.00 or more, therefore exceeding the regulatory ceilings in Financial Code sections 22303, 22304 and 22305, the Commissioner found, according to Financial Code section 22251, that the loan amounts were chosen for the purpose of evading the regulatory ceiling provisions of the CFL.

F. The Commissioner finds that entering into this Consent Order is in the public interest and is consistent with the purposes fairly intended by the policy and provisions of the CFL.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions

TERMS AND CONDITIONS

1. **Purpose.** This Consent Order is entered into for the purpose of judicial economy and to avoid the expense and uncertainty of a hearing or other litigation.

2. **Finality of Consent Order.** QC hereby agrees to comply with this Consent Order and stipulate that the Consent Order is hereby deemed final.

3. **Desist and Refrain Order.** In accordance with Financial Code section 22712, QC stipulates that it is ordered to desist and refrain from violating Financial Code sections 22303, 22304, and 22305.

4. **Waiver of Hearing Rights.** QC acknowledges that the Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement action on the charges and Desist and Refrain Order contained in this Consent Order. QC hereby waives the right to any hearings, and to any reconsideration, appeal, injunction, or other rights to review which may be afforded pursuant to the Financial Code, the California Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law. QC further expressly waives any requirement for the filing of an Accusation that may be afforded by Government Code section 11415.60, subdivision (b), the California Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law. By waiving such rights, QC effectively consents to this Consent Order and Desist and Refrain Order herein becoming final.

5. **Refund Calculation.** QC shall make refunds to certain borrowers as follows:
   (a) QC shall audit its files and identify all loans made under its various CFL licenses that were originated between January 1, 2012 and December 31, 2016 and on which an advance payment of $250.00 or more was received by QC on the day of funding or up to two days thereafter (Refund Population). QC represents that it has already completed this audit and has identified 423 loans that constitute the Refund Population.
   (b) QC shall recast each loan identified in the Refund Population as if the loan had complied with the regulatory ceiling provisions of Financial Code sections 22303, 22304 and 22305 and determine the amount of interest that should have been paid to QC according to that recasting.
(Recast Interest Amount).

(c) QC shall subtract the Recast Interest Amount from the actual interest paid to QC on each loan in the Refund Population (Interest Overcharge).

(d) QC shall refund 40 percent of the Interest Overcharge on each loan in the Refund Population to the applicable borrower (Refunds, or, individually, Refund). QC represents that the total amount of the Refunds is Fifty Eight Thousand, Two Hundred Thirty One U.S. Dollars and Eight Cents ($58,231.08).

(e) QC shall submit a report to the Commissioner detailing the Refund Population, each Recast Interest Amount, each Interest Overcharge and each Refund (Refund Population Report). The Commissioner acknowledges receipt of the Refund Population Report prior to the execution of this Consent Order.

6. **Refund Payments.** QC shall make the Refunds as follows:

(a) QC shall make the Refunds no later than 90 days after the Effective Date of this Consent Order, as defined in Paragraph 27.

(b) QC shall submit evidence of such payment to the Commissioner no later than 120 days after the Effective Date of this Consent Order, as defined in Paragraph 27. Such evidence shall include a copy of the refund checks, loan balances, and, for assignees and borrowers of charged-off loans assigned to outside collections, advisements of outstanding balance reductions for each loan in the Refund Population. Evidence shall be sent to the Commissioner via Adam Wright, Senior Counsel, 320 West 4th St., Suite 750, Los Angeles, CA 90013-2344.

(c) Each Refund shall be applied as follows:

i. for current borrowers whose loans have an outstanding balance of more than the Refund, by reducing the loan’s principal balance of current borrowers who have an outstanding balance in excess of the Refund owed;

ii. for current borrowers whose loans have an outstanding balance of less than the Refund, by reducing the loan’s principal balance and mailing a check for the remaining amount to the borrower;

iii. for former borrowers who repaid their loans in full and do not have any
loans from QC with an outstanding balance, by mailing a check for amount of the Refund; or

iv. for borrowers whose loans were charged off by the Refund amount, by reducing the charged-off balance. As to charged-off loans, QC shall apply the reduction for the Refund amount directly to any loan it retained for collection and shall advise the assignee of the reduced outstanding balance for those assigned for collection. QC shall also advise each borrower of a charged-off loan that has been assigned for collection of the reduction in outstanding balance by sending notice electronically to the borrower’s last known e-mail address in QC’s records or, if the borrower has opted out of receiving electronic communications from QC, by sending notice by U.S. mail to the borrower’s last known mailing address in QC’s records.

(d) QC shall escheat all checks that are not cashed to the California State Controller’s Office within the period provided by and in accordance with the Unclaimed Property Act. (Code of Civ. Proc., § 1500 et seq.).

7. **Penalty.** QC agrees to pay the Commissioner a penalty in the amount of Seven Thousand and Seven Hundred U.S. Dollars ($7,700.00). The Commissioner acknowledges receipt of the payment of the penalty from QC contemporaneously with the execution of this Consent Order.

8. **Investigative Fees.** QC agrees to pay the Commissioner’s investigative fees in an amount of Two Thousand ($2,000.00). The Commissioner acknowledges receipt of the payment of investigative fees from QC contemporaneously with the execution of this Consent Order.

9. **Advance Payment Compliance.** QC agrees that it shall allow borrowers to make advance payments in any amount on any loan contract at any time as provided by Financial Code section 22337.

10. **Bona Fide Principal Amount Compliance.** QC shall comply with the following provisions unless and until it receives prior written approval from the Commissioner to do otherwise:

(a) **Disclosure.** QC represents that it has implemented procedures under which all applicants for CFL loans will receive a form that discloses, in a clear and conspicuous manner, that QC does not make loans of less than $2,500.00 and that California law caps interest rates on loans of less than $2,500.00 at or about 30 percent, which is lower than the interest rates offered on loans made by QC.
(b) **Training.** QC represents that it has implemented new training for all California employees that mandates certain actions as described below:

i. If a California consumer contacts QC inquiring about or applying for a loan and states at any point that he or she is interested in or desires to borrow an amount less than $2,500.00, QC employees shall respond with a statement substantially similar to the following: “Quick Cash does not make loans of less than $2,500.00. California law caps interest rates on loans of less than $2,500.00 at or about 30 percent, which is lower than the interest rates offered on loans made by Quick Cash. If you want a loan of less than $2,500.00, you should consider whether another lender may offer such a loan to you.” The responsive statement shall not refer to the ability of borrowers to prepay at any time. QC employees are not prohibited from advising the prospective borrower about the borrower’s right to prepay pursuant to Financial Code Section 22337, so long as the advisement is not in response to a question about whether QC makes loans of less than $2,500.00 or in response to a statement of interest in or a desire to borrow an amount less than $2,500.00.

    ii. If a California consumer contacts QC inquiring about or applying for a loan and states at any point that he or she is interested in or desires to borrow an amount less than $2,500.00, QC employees shall not reference any alleged interest savings of taking out a loan of $2,500.00 or more and making an early prepayment, unless they also contemporaneously disclose that those alleged interest savings would be many times greater if the prospective borrower took out a loan for less than $2,500.00 instead.

    iii. If a California consumer contacts QC inquiring about or applying for a loan and asks why QC does not make loans of less than $2,500.00, QC shall not claim that loans of less than $2,500.00 are prohibited under any California state laws, regulations, or rules.

(c) **Monthly Reviews.** QC agrees that no later than 30 days following the Effective Date of this Consent Order, as defined in Paragraph 27, QC shall implement a monthly review of all CFL loans in which the borrower made a payment of $250.00 or more within two days of origination to ensure that proper procedures, including those in Paragraph 9, were followed.

11. **Proof of Compliance.** It is agreed, and QC acknowledges and understands, that the Commissioner will examine and review QC’s compliance with Paragraphs 5 through 10. QC hereby
agrees to provide documentation satisfactory to the Commissioner in order to determine compliance with Paragraphs 5 through 10 upon the Commissioner’s request.

12. **Suspension of License for Failure to Comply.** QC agrees that, if it fails to comply with Paragraphs 5 through 11 of this Consent Order, other than through inadvertent and isolated errors that are promptly corrected by QC within fourteen (14) business days with notice of such correction provided to the Commissioner within seven (7) business days of correction, QC may be summarily suspended from engaging in business under its CFL licenses until it provides evidence satisfactory to the Commissioner that the terms are met. QC hereby waives any notice and hearing rights that may be afforded under Government Code section 11415.60, subdivision (b), the California Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law to contest the immediate suspension. QC acknowledges that the failure to provide documentation requested by the Commissioner in order to determine compliance, pursuant to Paragraph 11 of this Consent Order, shall constitute a failure to comply with this Consent Order.

13. **Consideration.** Except as set forth in Paragraph 13 of this Consent Order, in consideration of QC’s agreement to the issuance of a final desist and refrain order, payment of refunds, and other relief as provided for herein, the Commissioner hereby agrees that she shall not suspend, revoke or commence any other adverse administrative proceedings against QC’s CFL licenses as a result of this action.

14. **Full and Final Settlement.** The parties hereby acknowledge and agree that this Consent Order is intended to constitute a full, final, and complete resolution of the findings outlined in Paragraph E of the Recitals above and that no further proceedings or actions will be brought by the Commissioner upon those findings, excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order, or action if such proceeding or action is based upon discovery of new and further violations of the CFL which do not form the basis for this Consent Order or which were knowingly or willfully concealed from the Commissioner by QC. Further, this Consent Order may be revoked and the Commissioner may pursue any and all remedies available under law against QC if the Commissioner later discovers that QC knowingly or willfully withheld information used
and relied upon in this Consent Order. In entering into this Consent Order, QC neither admits nor
denies liability for the findings in Paragraph E of the recitals above.

15. **Commissioner’s Duties.** The parties acknowledge and agree that nothing contained
in this Consent Order shall operate to limit the Commissioner’s ability to assist any other agency
(city, county, state or federal) with any prosecution, administrative, civil or criminal, brought by any
such agency against QC or any other person based upon any of the activities alleged in these matters
or otherwise.

16. **Third Party Actions.** It is the intent and understanding between the parties that this
Consent Order does not create any private rights or remedies against QC, create any liability for QC,
create any contractual third party beneficiaries, or limit defenses of QC for any person or entity not a
party to this Consent Order.

17. **Waiver, Amendments, and Modifications.** No waiver, amendment, or modification
of this Consent Order will be valid or binding unless it is in writing and signed by all parties affected
by it. Waiver of a provision of this Consent Order will not be deemed a waiver of any other
provision.

18. **Integration.** This Consent Order is the final written expression and the complete and
exclusive statement of all the agreements, conditions, promises, representations, and covenants
between the parties concerning its subject matter and supersedes all discussion regarding such subject
matter between the parties, their representatives, and any other person. Each of the parties represents
and agrees that, in executing this Consent Order, it 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 to
preclude any claim that any party was in any way fraudulently induced to execute this Consent Order
and to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the
terms of this Consent Order.

19. **Independent Legal Advice.** Each party represents that it has received independent
advice from its counsel or representatives regarding the advisability of executing this Consent Order.
20. **Headings.** The headings in this Consent Order are for convenience only and do not affect its meaning.

21. **Governing Law.** This Consent Order will be governed by and construed in accordance with the laws of the State of California.

22. **No Presumption Against Drafting Party.** Each party acknowledges that it has had the opportunity to draft, review, and edit the language of this Consent Order. Accordingly, no presumption for or against the drafting party should apply in construing any part of this Consent Order. The parties waive the benefit of Civil Code section 1654 as amended or corresponding provisions of any successor statute, which provide that in cases of uncertainty, language of a contract should be interpreted most strongly against the party that caused the uncertainty to exist.

23. **Voluntary Agreement.** QC enters into this Consent Order voluntarily and without coercion and acknowledges that no promises, threats, or assurances about this Consent Order have been made by the Commissioner or any of her officers or agents.

24. **Authority to Sign.** Each party represents that the person signing this Consent Order on its behalf has the authority and capacity to do so.

25. **Counterparts.** This Consent Order may be executed in any number of counterparts, each of which will be deemed an original when executed. All counterparts together will be deemed to constitute a single document.

26. **Signatures.** A signature delivered by facsimile or electronic mail will be deemed an original signature.

27. **Effective Date.** This Consent Order shall not become effective until signed by all parties and delivered by the Commissioner’s counsel by email to QC’s outside counsel for this matter, Alan Abergel, at alan@abergellaw.com.

28. **Public Record.** Respondent acknowledges that this Consent Order is a public record.
Dated: 12/12/17

JAN LYNN OWEN
Commissioner of Business Oversight

By Mary Ann Smith
Deputy Commissioner

Dated: 12/11/17

QUICK CASH FUNDING, LLC

By Mike Shim
Chief Executive Officer