

In the Matter of the Citations, Desist and Refrain Order, and Order Voiding Loans issued to Area Check Cashing Centers, Inc.

OAH Case No. 2009020487

Agency Nos: 100-0389, 100-0636, 100-0637, 100-0639, 100-0640, 100-0642, 100-0644

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into as of July 21, 2009, by and between the Complainant, the California Corporations Commissioner (“Commissioner”), and Respondent, Area Check Cashing Centers, Inc. (hereinafter collectively “the Parties”).

RECITALS

This Agreement is made with reference to the following facts:

A. Area Check Cashing Centers, Inc. (“ACCC”) operates its principal place of business at 5601 E. La Palma Avenue, Anaheim, California 92807.

B. Lyle Sandlin is the President of ACCC and is authorized to enter into this Settlement Agreement on behalf of ACCC.

C. ACCC holds license numbers 100-0389, 100-0636, 100-0637, 100-0639, 100-0640, 100-0642, 100-0644 from the Commissioner under the California Deferred Deposit Transaction Law (“CDDTL”) pursuant to California Financial Code sections 23005, 23008 and 23009.

D. On October 27, 2008, the Commissioner issued Citations, Desist and Refrain Order, and Order Voiding Loans to ACCC for violations of California Financial Code sections 23000 *et seq.* Copies of the Citations, Desist and Refrain Order, and Order Voiding Loans are attached and incorporated herein as Exhibit 1.

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 expeditiously resolve the Citations, Desist and Refrain Order, and Order Voiding Loans, avoid the expense of a hearing, and possible further court proceedings.
2. Waiver of Hearing Rights. ACCC acknowledges its right to a hearing under the CDDTL in connection with the Citations, Desist and Refrain Order, and Order Voiding Loans, 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, it consents to this 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 an attorney with respect to the advisability of executing this Agreement.
4. Admissions. ACCC, does not admit or deny the facts related to unlicensed activity, but admits to the remaining facts recited in the Citations, Desist and Refrain Order, and Order Voiding Loans, solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner or other agencies against ACCC. It is the intent and understanding between the Parties that this Agreement, and particularly the admissions of ACCC herein, shall not be binding or admissible against it in any action(s) with third parties.
5. Citations. ACCC hereby agrees to pay to the Commissioner eighteen thousand five hundred dollars (\$18,500) for all Citations, inclusive (“Citation Payment”). The Citation Payment shall be made in on or before September 1, 2009. If ACCC fails to make the Citation Payment in strict accordance with the terms of this Agreement, then the total amount of Citations ordered in the Citations, Desist and Refrain Order, and Order Voiding Loans is immediately due and payable to the Department. The Citation Payment shall be payable to the California Department of Corporations and delivered to the Department of Corporations’ Sacramento Office to the attention of the Complainant’s Enforcement counsel Joanne Ross.
6. Fee Refund. ACCC agrees to refund all fees charged and collected on the deferred deposit transactions that are subject to the Commissioner’s Order Voiding Loans (“Voided Loans”), attached hereto as Exhibit 1 (“Fee Refund”). ACCC shall send a letter, in a form acceptable to the Commissioner, to the last known address for all customers of the Voided Loans by September 1, 2009 (“Refund Letters”). ACCC agrees to comply with the Unclaimed Property Law, California Code of Civil Procedure (“CCP”) sections 1500 *et seq.* If ACCC fails to make the Fee Refund in strict accordance with the terms of this Agreement, then the total amount of the loans in the Order Voiding Loans is immediately due and payable in compliance with CCP sections 1500 *et seq.*

7. License Issuance. If ACCC makes the Citation Payment and sends the Refund Letters by September 1, 2009, the Commissioner agrees to proceed with the licensure of the business location at 4340 Lincoln Ave., Cypress, California 90630, for which a license application is currently pending.

8. Future Actions by the Commissioner. The Commissioner reserves the right to bring any future actions against ACCC or any of its partners, employees or successors for any and all unknown or future violations of the CDDTL. This Agreement shall not serve to exculpate ACCC or any of its partners, employees or successors from liability for any and all unknown or future violations of the CDDTL. If it is found, after the execution of this Agreement, that ACCC has at any time violated any provision of the California Financial Code, the Commissioner reserves the right to take further action against ACCC, including but not limited to, imposing penalties and requesting restitution of all CDDTL transactions originated in breach of this Agreement. ACCC acknowledges and agrees that the remedies provided for in this Agreement shall not be the exclusive remedies 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.

9. Settlement Agreement Coverage. The Parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of the Citations, Desist and Refrain Order, and Order Voiding Loans. The Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any administrative, civil or criminal prosecution brought by any such agency against ACCC based upon any of the activities alleged in this matter or otherwise. This Agreement shall not become effective until signed by ACCC and delivered by all Parties. Each of the Parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein 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.

10. Full Integration. This Agreement, including the attached Exhibits, 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 supercedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity.

11. 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.

12. Effective Date. This Agreement shall not become effective until signed by ACCC and delivered by all Parties. The Commissioner shall file this Agreement with the Office of Administrative Hearings as soon as possible and within five days after execution by the Parties.

13. 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.

14. 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.

15. 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.

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

17. Public Record. ACCC acknowledges that this Agreement is a public record.

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

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

If to Respondent to: Cristina Miller, Esq.
Styskal, Wiese & Melchione, LLP
550 North Brand Blvd., Suite 550
Glendale, CA 91203-1988

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 90013-2344

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

Dated: 7/22/09

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____

ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

Area Check Cashing Centers, Inc.

Dated: 7/22/09

By _____

Lyle Sandlin, President