

STATE OF CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

TEXT OF PROPOSED CHANGES UNDER THE
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW
DATED:

1. Amend Section 2020 to read:

§ 2020. Application for Deferred Deposit Transaction Licenses: Form.

(a) The application for a deferred deposit transaction license pursuant to Financial Code Section 23005~~(a)~~, subdivision (b), shall be filed upon the form set forth in subdivision (c) of this section.

(b) Within 45 calendar days from the receipt of the application ~~under this rule~~, the Commissioner shall inform the applicant, in writing, ~~that the application is complete and accepted for filing, or that the application is deficient,~~ and specify what information is required to complete the application. Within 60 calendar days from the filing of a completed application, the Commissioner shall reach a decision on the license. An application will not be considered complete until the background and investigative reports are received from the Department of Justice or other government agencies, and the fees required under Financial Code Section 23006 and all information and exhibits required by the application are received.

(c) An application for a deferred deposit transaction license shall be submitted to the Commissioner on the following form:

STATE OF CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT
DIVISION OF CORPORATIONS

INSTRUCTIONS FOR COMPLETING
THE APPLICATION FOR A LICENSE UNDER THE
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW (CDDTL)

ASSISTANCE WITH THE APPLICATION:

Refer to these instructions while completing the CDDTL application. If you have questions about the application that are not answered by these instructions, call the Department of Business Oversight's toll-free telephone number at 1-866-275-2677. Departmental personnel cannot provide individual legal or accounting advice. Applicants seeking such advice should consult a qualified professional.

GENERAL INSTRUCTIONS:

The application and all exhibits must be typewritten. All signatures must be original and not a copy. Answer each question in the application, unless directed otherwise by these instructions. Attach additional pages if you need more space to complete an answer to any of the questions, and label the answers by the corresponding question number or exhibit letter.

FEES:

The application, including all exhibits, must be accompanied by a nonrefundable application fee of \$200, an investigation fee of \$100, and fingerprint processing fees. The applicable fingerprint processing fee is \$20 per individual if the individual resides in California. If the individual resides outside of California, the applicable fingerprint processing fee is \$86 per individual. The application fee, investigation fee, and fingerprint processing fees are not refundable if the application is denied or withdrawn. Detailed instructions for the fingerprint processing requirements are listed below under "Exhibit C."

WHERE TO SUBMIT APPLICATION AND FEES:

Make check(s) payable to the Department of Business Oversight for the total amount of all fees. The application, exhibits to the application and fees must be filed in the Los Angeles office of the Department of Business Oversight, located at 320 West 4th Street, Suite 750, Los Angeles, California 90013. **An application that does not include all of the required information, exhibits and fees will not be processed.**

THE CDDTL APPLICATION:

References to exhibits in these instructions pertain to specific documents that must be submitted with the CDDTL application. The headings used in these instructions correspond to the item numbers and exhibit letters in the application.

ITEM NUMBER 1 OF APPLICATION:

1.a. Name of Applicant:

Provide the applicant's legal name. For individuals (sole proprietors), list first, middle and last name. If a sole proprietor applicant has no middle name, indicate that, e.g., "John [no middle name] Smith."

Some foreign entities are required by the California Secretary of State to use an assumed name for any business conducted in California. These entities must provide the assumed name as the "Name of Applicant". The entities may only use that name in conducting business under the CDDTL and are not permitted to use a fictitious business name.

1.b. Fictitious Business Name:

An applicant that intends to conduct CDDTL business under a fictitious business name that is different from its legal name must provide the fictitious business name. Enter the name exactly as it appears on the

Fictitious Business Name Statement filed with the county clerk. The fictitious business name must be provided in addition to the legal name in item number 1.a.

Applicants that intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at Section 17900.

1.c. Filing of Fictitious Business Name:

Provide the name of the county in which the fictitious business name is filed. The fictitious business name must be filed in the county of the applicant's main office address.

ITEM NUMBER 2 OF APPLICATION:

Applicant is Organized and Will Do Business as:

Check the appropriate box to indicate the organizational form of the applicant.

ITEM NUMBER 3 OF APPLICATION:

3.a. Applicant's Licensed Place of Business:

Provide the applicant's full proposed place of CDDTL business, including number and street, city, county, state, and zip code, and the telephone number and fax number. A separate CDDTL license is required for each additional business location. CDDTL licenses for additional business locations may be obtained by filing the short form license application in Section 2021 of Title 10 of the California Code of Regulations.

3.b. Mobile Unit Location:

Provide the following information for any mobile unit business location: manufacturer, model, year, color, vehicle identification number (VIN), and license plate number. Provide the proposed area where the mobile unit will operate.

ITEM NUMBER 4 OF APPLICATION (Sole Proprietor Applicant Only):

This item is to be completed only by an applicant who is a sole proprietor.

4.a. Name of Sole Proprietor:

List the sole proprietor's full first, middle, and last name. If the applicant has no middle name, indicate that, e.g., "John [no middle name] Smith."

4.b. Person(s) Who Will Be In Charge of the Place of Business:

Provide the full name, address, telephone number, and email of any person(s) who will be in charge of the place of business, e.g., store manager. A manager is a person with authority to manage the operations of the business location in California.

4.c. Agent for Service of Process (Sole Proprietor Applicant Outside of California Only):

If the applicant has an agent for service of process in California who is authorized to accept service on the applicant's behalf, provide the name and address of the agent for service of process. It is common for persons to authorize their attorney to accept service of process on their behalf. State "none" if there is no agent for service of process authorized in California.

ITEM NUMBER 5 OF APPLICATION (Partnership Applicant ONLY):

This item of the application must be completed only by an applicant organized as a general or limited partnership.

5.a. Organization:

Provide the full date (month, day, and year) of organization and the state where the partnership was organized.

5.b. General Partners:

Provide the requested information for all general partners and indicate if the general partner is a managing general partner by checking the box.

5.c. Person(s) Who Will Be In Charge of the Place of Business:

Provide the full name, address, telephone number, and email of any person(s) who will be in charge of the place of business, e.g., store manager. A manager is a person with authority to manage the operations of the business in California.

5.d. and 5.e. Other Persons:

List in 5.d. the full name of any other person with direct involvement in the applicant's proposed activities under the CDDTL license and the full name of any person (individual or entity) that owns or controls, directly or indirectly, 10% or more of the applicant in 5.e.

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying the name of each entity or individual and their percentage of ownership in the applicant. Label the organization chart as Exhibit N.

5.f. Agent for Service of Process:

If the applicant has an agent in California who is authorized to accept service on its behalf, provide the name and address of the applicant's agent for service of process in California. It is common for persons to authorize their attorney to accept service of process on their behalf. State "none" if there is no authorized agent for service of process in California.

5.g. Limited Partners:

Provide the full name of each limited partner.

ITEM NUMBER 6 OF APPLICATION (Corporations and Other Business Entities):

Complete this item only if the applicant is applying as a corporation, limited liability company, joint venture, association, joint stock company, unincorporated organization, or other business entity.

6.a. Organization:

Include the full date (month, day, year) of incorporation or organization, and the state where the applicant was incorporated or organized.

6.b. Officers and Directors:

List the full name of each of the officers, directors, managers, and trustees.

6.c. Person(s) Who Will Be In Charge of the Place of Business:

Provide the full name, address, telephone number, and email of any person who will be in charge of the place of business, e.g., store manager. A manager is a person with authority to manage the operations of the business location in California.

6.d. and 6.e. Other Persons:

List in 6.d. the full name of any other person with direct responsibility for the applicant’s proposed activities under the CDDTL license and the full name of any person (individual or entity) that owns or controls, directly or indirectly, 10% or more of the applicant in Item 6.e.

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying the name of each entity or individual and their percentage of ownership in the applicant. Label the organization chart as Exhibit N.

6.f. Agent for Service of Process:

If the applicant has an agent in California who is authorized to accept service on its behalf, provide the name and address of the applicant’s agent for service of process in California. It is common for persons to authorize their attorney to accept service of process on their behalf. State “none” if there is no authorized agent for service of process in California.

ITEM NUMBER 7 OF THE APPLICATION:

Regulatory or Other Action:

Under Financial Code Section 23011, the Commissioner may deny an application for a deferred deposit transaction license if the applicant or other specified persons have been convicted of a crime or committed any act involving dishonesty, fraud, or deceit within the last 10 years, or if the applicant has violated the CDDTL or other similar regulatory scheme at any time. Describe, if applicable, by providing the information requested. Attach a copy of each action and label the document as Item Number 7.a. or 7.b., as applicable.

ITEM NUMBER 8 OF APPLICATION:

Other Business at Location:

Describe, if applicable, any other business that is being conducted or will be conducted at the location to be licensed under the CDDTL.

ITEM NUMBER 9 OF APPLICATION:

Other Licensed Business:

If the applicant is currently licensed to engage in financial service business in this state or any other state, provide the date(s) of licensure, license number(s), type of license/business, and the name and address of the licensing entity. Include any other Department of Business Oversight licenses held by the applicant.

Financial service business means securities broker-dealer or agent, investment adviser or investment adviser representative, financial planner, insurance agent, escrow agent, finance lender or broker, mortgage lender or servicer, real estate broker, payday lender, financial institution, bill payer or prorater, commodity sales person, certified public accountant, or any other business involving investment or financial transactions.

ITEM NUMBER 10 OF APPLICATION:

Bonding Agent

Provide the name, address, and telephone number of the bonding agent that the Department of Business Oversight can contact regarding the applicant's surety bond.

ITEM NUMBER 11 OF APPLICATION:

Business Plan

Provide a short description of how the applicant plans to conduct business under the CDDTL license.

Include any information necessary for the Commissioner to obtain an understanding of the type of business the applicant plans to conduct under this license.

EXHIBITS

EXHIBIT A: Balance Sheet

Each applicant (e.g., the person identified as “Name of Applicant” in Item Number 1) is required to provide a financial statement in the form of a balance sheet prepared in accordance with generally accepted accounting principles, dated no more than 90 days before the date the application is filed with the Department of Business Oversight, which reports a minimum net worth of \$25,000. For example, if the applicant is a corporation, submit a balance sheet for the corporation. If the applicant is a sole proprietor, submit a personal balance sheet. The balance sheet may be unaudited. Label the balance sheet as Exhibit A.

The applicant must meet and maintain a minimum net worth of \$25,000 at all times. (Financial Code Section 23007.) The application will not be approved if the applicant does not meet the net worth requirement as evidenced by the balance sheet submitted with the application. Applicants needing assistance in preparing a balance sheet should consult with an accountant.

EXHIBIT B: Surety Bond

Provide the original surety bond, including any riders and endorsements, in the amount of \$25,000. The bond form is attached as Exhibit B.

To complete the bond form:

1. Read the instructions on the bond form before completing the bond.
2. The bond and the cover page of the bond must be in the name of the applicant provided in Item Number 1 of this application.
3. The bond must be signed in the space designated “Signature of Principal” by the applicant if the applicant is a sole proprietor, or by an individual named in Item Numbers 4, 5, or 6 of the application who is authorized to sign on behalf of the applicant.
4. The signature of the applicant must be notarized.
5. The bond must contain the original power-of-attorney form issued by the surety bond company.
6. The bond must be signed by the surety bond company in the space designated “Signature of Attorney-in-Fact for Surety” and the signature must be notarized.

EXHIBIT C: Statement of Identity and Questionnaire

Each individual (natural person) named in Item Numbers 4, 5.b., 5.e., 6.b. and 6.e. of the application must complete a Statement of Identity and Questionnaire. Submit the Statement of Identity and Questionnaire with the fingerprint information and the cost of fingerprint processing (discussed below).

The 10-year employment and residence histories in the Statement of Identity and Questionnaire must be complete and accurate. Attach copies of all pertinent court and other documents requested. The Statement of Identity and Questionnaire must be notarized if executed outside the State of California.

If an entity owns or controls 10% or more of the applicant, a Statement of Identity and Questionnaire and fingerprints must be submitted for each officer, director, general partner, or managing member of the entity, as applicable. The Commissioner of Business Oversight may waive this requirement if it is determined that further investigation is not necessary for public protection.

A public company may submit fingerprints only for persons not included on the public company's Form 10-K, Form 10-Q or other similar document filed with the Securities and Exchange Commission. The applicant must submit a copy of Form 10-K, Form 10-Q, or other similar document that includes the name of the individuals not submitting fingerprints. Statement of Identity and Questionnaires must still be completed for all individuals. For purposes of this paragraph, "public company" means a company whose securities are listed or designated on a national securities exchange certified by the Commissioner of Business Oversight under Subdivision (o) of Section 25100 of the California Corporations Code.

Fingerprints

All individuals named in Item Numbers 4, 5.b., 5.e., 6.b. and 6.e. of the application must submit fingerprints and related information to the Department of Business Oversight with the application, for the purpose of conducting a criminal history background check under Financial Code Section 23008. Applicants must pay for the cost of processing the fingerprints.

Fingerprinting of In-State Individuals

Each individual named in Item Numbers 4, 5.b., 5.e., 6.b. and 6.e. of the application who resides in California must complete a "Request for Live Scan Service" form. The triplicate form can be printed from the Department of Business Oversight's website at www.dbo.ca.gov. Adobe Reader 7.x is required to correctly download the form.

The individuals must take the three-part form to a live scan location to have their fingerprints taken by the operator and submitted electronically to the California Department of Justice for processing. The applicant will be required to pay the fees charged by the California Department of Justice for processing the fingerprints directly to the live scan operator. The Attorney General's website at <http://caag.state.ca.us/fingerprints/publications/contact.html> has current information concerning the Department of Justice's fees and the location of live scan terminals.

An applicant may also call the Department of Business Oversight at 1-866-275-2677 for information concerning the location of live scan terminals. Submit the "Requesting Agency Copy" of the "Request for Live Scan Service" form, the processing fee of \$20 per individual for live scan submission and the Statement of Identity and Questionnaire with the CDDTL application to the Department of Business Oversight. Make the check for the fingerprint processing fees payable to the Department of Business Oversight.

Fingerprinting of Out-of-State Individuals

Individuals residing outside of California are encouraged to come to California, if practical, to have their fingerprints taken and submitted electronically through California's Live Scan process, to significantly decrease the processing time. However, an out-of-state individual named in Item Numbers 4, 5.b., 5.e., 6.b. and 6.e. may provide fingerprint images to the Department of Business Oversight on fingerprint cards. Call the Department of Business Oversight at 1-866-275-2677 to obtain fingerprint cards. The Department of Business Oversight will mail the fingerprint cards to you. In addition, you must also complete a "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, available from the Attorney General's website at <http://caag.state.ca.us/fingerprints/pdf/bcii9004.pdf>.

The fee to process the fingerprint card is \$86 per individual, which includes the Department of Business Oversight's processing fee of \$20 and the Department of Justice's processing fee of \$66. Make the check for all fees payable to the Department of Business Oversight. Submit the fingerprint cards, "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, the fees, and the Statement of Identity and Questionnaire with the CDDTL application to the Department of Business Oversight.

EXHIBIT D: (Sole Proprietor Applicant Only): Statement of Citizenship

Exhibit D is the "Statement of Citizenship, Alienage, and Immigration Status for Application of Department of Business Oversight License or Certificate," which must be completed and submitted by a sole proprietor applicant. Include copies of the acceptable proof of citizenship as outlined in List A of the Statement of Citizenship, Alienage, and Immigration Status. Label the documents as Exhibit D.

Complete this form and submit proof of your citizenship only if applying for the license as a sole proprietor.

EXHIBIT E: Authorization for Disclosure of Financial Records

Exhibit E is the "Licensee Authorization for Disclosure of Financial Records". Complete and submit this form. The form must be signed by an individual named in Item Numbers 4, 5, or 6 of the application who is authorized to sign on behalf of the applicant.

EXHIBIT F: Fictitious Business Name Statement

Provide a copy of the current Fictitious Business Name Statement with the "filed" stamp from the county clerk's office. The applicant's name must appear as the registrant on the Fictitious Business Name Statement. Label the document as Exhibit F.

EXHIBIT G: Corporate Applicant Incorporated in California (Domestic Corporation Only)

A corporation incorporated in California must submit an original certificate of good standing or qualification from the California Secretary of State as evidence that the applicant is authorized to do business in California. The name on the certificate must match the name listed in Item Number 1 of the application and the certificate must indicate the original date of incorporation. Label the document as Exhibit G.

EXHIBIT H: Corporate Applicant Incorporated in States Other Than California (Foreign Corporation Only)

Foreign corporations must register and qualify the corporation with the California Secretary of State as a foreign corporation to conduct business in California.

A corporation incorporated outside of California must submit the following documents:

1. An original certificate of good standing or qualification from the Secretary of State of the foreign state or other proper authority showing that the applicant is authorized to transact business in that state. The name on the certificate must match the name listed in Item Number 1 of the application and the certificate must indicate the original date of incorporation.
2. An original certificate of good standing or qualification from the California Secretary of State as evidence that the applicant is authorized to transact business in California. The name on the certificate must match the name listed in Item Number 1 of the application.

Label both documents as Exhibit H.

EXHIBIT I: General Partnership Applicant Organized in any State

Provide a copy of the original partnership agreement and any addendums to the agreement. The agreement must indicate the original date of organization. Label the document as Exhibit I.

EXHIBIT J: Applicant Organized in California as a Limited Partnership or Limited Liability

Company

Limited partnerships and limited liability companies must submit an original certificate of good standing or qualification from the California Secretary of State. The name on the certificate must match the name in Item Number 1 of the application and the certificate must indicate the original date of organization. Label the document as Exhibit J.

EXHIBIT K: Applicant Organized in States Other Than California as a Limited Partnership or

Limited Liability Company

Foreign limited partnerships and foreign limited liability companies must register and qualify with the California Secretary of State to conduct business in the State of California.

A foreign limited partnership and foreign limited liability company organized outside of California must provide the following documents:

1. An original certificate of good standing or qualification from the Secretary of State of the foreign state or other proper authority showing that the applicant is authorized to transact business in that state. The name on the certificate must match the name listed in Item Number 1 of the application and the certificate must indicate the original date of organization.

2. An original certificate of good standing or qualification from the California Secretary of State as evidence that the applicant is authorized to transact business in California. The name on the certificate must match the name listed in Item Number 1 of the application.

Label both documents as Exhibit K.

EXHIBIT L: Declaration Regarding Law and Rules

Complete and provide the declaration attesting to the applicant's knowledge of the California Deferred Deposit Transaction Law and rules. Only one responsible officer or director is required to sign the form.

Exhibit M: Declaration Pursuant to Financial Code Section 23037, Subdivision (i)

Complete and provide the attached declaration regarding offering, arranging, acting as an agent for, or assisting a deferred deposit originator in the making of a deferred deposit transaction. Only one responsible officer or director is required to complete and sign this form.

Exhibit N: Organization Chart

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying the name of each entity or individual and their percentage of ownership in the applicant. Label the organization chart as Exhibit N.

Exhibit O: Federal Taxpayer Identification Number

Corporations, partnerships, limited liability companies and other business entities, except sole proprietorships, applying for a license must provide the federal taxpayer identification number. Label the document as Exhibit O.

The Department of Business Oversight is required to collect from all applicants' social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers and federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

EXECUTION SECTION:

Complete the required information. The Execution Section must be signed by the applicant in the case of a sole proprietor applicant or for other types of applicants, by an individual named in Item Numbers 4, 5, or 6 of the application who is authorized to sign on behalf of the applicant. By signing the application, the applicant agrees with the representations listed and agrees to appoint the Commissioner to receive service of process on behalf of the applicant.

CDDTL APPLICATION CHECKLIST

<u>Application Question</u>	<u>Sole</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Domestic</u>	<u>Foreign</u>
<u>Number or Exhibit</u>	<u>Proprietor</u>	<u>Corporation</u>	<u>Corporation</u>	<u>LLC</u>	<u>LLC</u>	<u>Limited</u>	<u>Limited</u>
<u>Letter</u>						<u>Partnership</u>	<u>Partnership</u>
<u>1. Name</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>2. Business Type</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>3. Place of Business</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>4. Sole Proprietor</u> <u>Licensee Information</u>	<u>X</u>						
<u>5. Partnership</u> <u>Licensee</u> <u>Information</u>						<u>X</u>	<u>X</u>
<u>6. Corporation &</u> <u>Other</u> <u>Licensee Information</u>		<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>		
<u>7. Regulatory or</u> <u>Other Action</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>8. Other Business at</u> <u>Location</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>9. Other Licensed</u> <u>Business</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>10. Bonding Agent</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>

<u>11. Business Plan</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>A. Balance Sheet</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>B. Surety Bond</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>C. Statement of Identity</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>D. Sole Proprietor Statement of Citizenship</u>	<u>X</u>						
<u>E. Licensee Authorization for Disclosure</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>F. Fictitious Business Name</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>G. Domestic Corporation Licensee Information</u>		<u>X</u>					
<u>H. Foreign Corporation Licensee Information</u>			<u>X</u>				
<u>I. General Partnership Licensee Information</u>						<u>GP ONLY</u> <u>X</u>	<u>GP ONLY</u> <u>X</u>

<u>J. California Limited</u>							
<u>Partnership & LLC</u>						<u>LP ONLY</u>	
<u>Licensee Information</u>				<u>X</u>		<u>X</u>	
<u>K. Foreign Limited</u>							
<u>Partnership & LLC</u>							
<u>Licensee Information</u>					<u>X</u>		<u>LP ONLY X</u>
<u>L. Laws and Rules</u>							
<u>Declaration</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>M. Financial Code</u>							
<u>Section 23037,</u>							
<u>Subdivision (i)</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>N. Organization</u>							
<u>Chart</u>		<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>O. Federal Taxpayer</u>							
<u>Identification</u>							
<u>Number</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>Execution Section</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>

Fee Paid \$ _____

File No. _____

Receipt No. _____

STATE OF CALIFORNIA
DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT
DIVISION OF CORPORATIONS

APPLICATION FOR A LICENSE UNDER THE
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW

The application **must be accompanied** by a non-refundable application fee of \$300 ~~which includes an application fee of \$200 and an~~ a non-refundable investigation fee of \$100, and non-refundable fingerprint processing fees (Departments of Business Oversight and Justice), both of which are non-refundable.

~~(Financial Code Section 23006.)~~ The application (together with the fees payable to the Department of ~~Corporations~~ Business Oversight) must be filed in the ~~Sacramento~~ Los Angeles office of the Department of ~~Corporations~~ Business Oversight, located at ~~1515 K Street, Suite 200, Sacramento, California 95814~~ 320 West 4th Street, Suite 750, Los Angeles, CA 90013.

~~The Department of Corporations has established time periods for the processing of permit applicants as required by the Permit Reform Act (Government Code Section 15374, et seq.). These time periods are set forth in the regulations of the Department of Corporations at Financial Code Section 23011(e). Failure to comply with these time periods may be appealed to the Secretary of Business, Transportation and Housing Agency, 980 9th Street, Suite 2450, Sacramento, CA 95814-2719, pursuant to the regulations of the Secretary set forth in Chapter 6 (commencing with Section 7600) of Title 21 of the California Code of Regulations. Under certain~~

~~circumstances, the Secretary may require the Department of Corporations to reimburse the applicant for the filing fees paid in connection with the application.~~

1. a. Name of applicant: _____

b. Fictitious Business Name: _____

c. Fictitious Business Name filed in the County of: _____

2. Applicant is organized and will do business as (check as applicable):

an individual (a sole proprietor)

a general partnership

a limited partnership

a corporation

a limited liability company

other (please specify)

3. a. Applicant's licensed place of business shall be (Financial Code Section 23020):

(Number and Street) (City) (County) (State) (Zip)

(Telephone Number)

(Fax Number)

b. Provide the following additional information for any mobile unit location:

(Manufacturer) (Model) (Year) (Color) (Vehicle Identification No. (VIN))

(License Plate No.)

Proposed area in which the mobile unit will operate: _____

4. ~~The following must be completed if the applicant is an:~~ If the applicant is a sole proprietor, provide the following information:

~~Individual:~~

a. The **FULL** first, middle (if no middle name, so indicate) and last name of the ~~individual~~ sole proprietor.

(Name)

Those applying for a license as ~~an individual~~ a sole proprietor must complete the enclosed form entitled Statement of Citizenship, Alienage, and Immigration Status. (See Exhibit D.)

b. The FULL first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and email, if any, of each manager(s) or other person(s) who will be in charge of the place of business.

<u>(Name)</u>	<u>(Telephone Number)</u>	<u>(Email)</u>
---------------	---------------------------	----------------

<u>(Number and Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
----------------------------	---------------	----------------	--------------

c. If the applicant listed a business location outside of California in Item 3, provide the FULL first, middle (if no middle name, so indicate) and last name, and complete address of the agent for service of process in California. If there is no authorized agent in California, so indicate.

<u>(Name)</u>

<u>(Number and Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
----------------------------	---------------	----------------	--------------

5. If the applicant is a general partnership or a limited partnership, provide the following information: The following ~~must be completed~~ if the applicant is a:

Check Box: ~~[+]~~ General Partnership ~~[+]~~ Limited Partnership

~~The partnership applicant was organized on _____ in the State of _____.~~ (Date)

a. ~~The partnership a~~ Applicant was organized on _____ in the State of _____ (Date MM/DD/YYYY)

_____.

b. The FULL first, middle (if no middle name, so indicate) and last name, and complete business address ~~MUST be given~~ for each general partner. Indicate if a general partner is the managing general partner; by checking the corresponding box.

_____ Check here if Managing Partner

(Name)

_____ (Number and Street) (City) (State) (Zip)

_____ Check here if Managing Partner

(Name)

(Number and Street) (City) (State) (Zip)

Check here if Managing Partner

(Name)

(Number and Street) (City) (State) (Zip)

~~(Please see Item 6 for persons owning or controlling, directly or indirectly, 10% or more of the outstanding interests. (See Financial Code Section 23008.))~~

c. The FULL first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and email, if any, of each manager(s) or other person(s) who will be in charge of the place of business.

(Name)

(Telephone Number)

(Email)

(Number and Street)

(City)

(State)

(Zip)

d. The FULL first, middle (if no middle name, so indicate) and last name of any other person responsible for the applicant's deferred deposit activities in this state. State "none" if no other person is responsible.

(Name)

(Name)

e. The FULL first, middle (if no middle name, so indicate) and last name of any person (individual or entity) that owns or controls, directly or indirectly, 10% or more of the applicant.

(Name)

(Name)

Provide an organization chart with name of each person and their ownership percentages. Chart labeled as Exhibit N attached: Yes No

f. The FULL first, middle (if no middle name, so indicate) and last name, and complete address of the agent for service of process in California. If there is no authorized agent in California, so indicate.

(Name)

(Number and Street)

(City)

(State)

(Zip)

g. The **FULL** first, middle (if no middle name, so indicate) and last name of each limited partner.

(Name)

6. The following **must be completed** if the applicant is a: If the applicant is a corporation, limited liability company, joint venture, association, joint stock company, unincorporated organization or other business entity, provide the following information:

Check Box: Corporation Limited Liability Company
 Trust Other (Specify): _____

a. Applicant was incorporated or organized on _____ in the State of _____.

(Date MM/DD/YYYY)

b. ~~Indicate if any of the following positions do not exist within the entity selected above. For those positions within the entity, the~~ **The FULL** first, middle (if no middle name, so indicate) and last name, **MUST** be given for each person(s) ~~occupying~~ holding the positions listed below: Complete all fields. If any title is not applicable, so indicate. (Attach additional sheets, if necessary.)

President/Chief Executive Officer:

(Name)

Executive Vice President/Vice President:

(Name)

(Name)

Secretary:

(Name)

Treasurer/Chief Financial Officer:

(Name)

Directors:

(Name)

(Name)

(Name)

Manager(s)/Member(s) (i.e. e.g., a manager member of an association, or a manager appointed or elected by the members of a limited liability company):

(Name)

(Name)

(Name)

Trustee(s):

(Name)

(Name)

(Name)

~~Any other officer with direct responsibility for the conduct of applicant's deferred deposit activity within the state:~~

c. The **Full** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and email, of each manager(s) or other person(s) who will be in charge of the place of business.

<u>(Name)</u>	<u>(Telephone Number)</u>	<u>(Email)</u>
---------------	---------------------------	----------------

<u>(Number and Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>
----------------------------	---------------	----------------	--------------

d. The **Full** first, middle (if no middle name, so indicate) and last name of any other person responsible for the applicant's deferred deposit activities in this state. Indicate if no other person is responsible.

(Name)

(Name)

(Name)

~~e. List any person, as defined in Financial Code Section 23001. The FULL first, middle (if no middle name, so indicate) and last name of any person (individual other than those persons listed above or entity), that owns or controls, directly or indirectly, 10% or more of the applicant. (See Financial Code Section 23008):~~

(Name)

(Name)

(Name)

Provide an organization chart with the name of each owner and their ownership percentages. Chart attached labeled as Exhibit N: Yes No

~~f. The FULL first, middle (if no middle name, so indicate) and last name, and complete address of the agent for service of process in California. If there is no authorized agent in California, so indicate. The FULL first, middle (if no middle name, so indicate), last name, complete business address, telephone number, and e-mail address, if any, must be given for each of the person(s) who will be in charge of the place of business.~~

(Name)

(Telephone no.)

(E-mail Address)

(Number and Street) (City) (State) (Zip)

(Name) (Telephone no.) (E-mail Address)

(Number and Street) (City) (State) (Zip)

7.a. Has the applicant been convicted of or pleaded nolo contendere to a crime, or committed an act involving dishonesty, fraud, or deceit within the last 10 years? ~~subject to any administrative action in California or any other state? If so, please provide details and attach a copy of any action. If NONE, so state. (Attach additional sheets, if necessary.)~~

Yes No

If yes, provide copies of all pertinent court documents relating to the action and complete the following:

Type of Action: Administrative Criminal Civil

Name of Regulator, Agency or Plaintiff: _____

Nature of Charges: _____

Type of Resolution: _____

Date of Resolution or Settlement: _____

7.b. Has the applicant at any time violated the California Deferred Deposit Transaction Law or regulations, or any similar regulatory scheme of California or a foreign jurisdiction?

Yes No

If yes, provide copies of all pertinent court documents relating to the action and complete the following:

Type of Action: Administrative Criminal Civil

Name of Regulator, Agency or Plaintiff: _____

Nature of Charges: _____

Type of Resolution: _____

Date of Resolution or Settlement: _____

8. Does the applicant conduct or intend to conduct any other business at the applicant's proposed licensed place of business provided in Item Number 3 above?

Yes No

If yes, describe any business being conducted or planned to be conducted at the applicant's place of business.

9. Is the applicant licensed to engage in financial service business in California or any other state?

Include any other licenses issued to the applicant by the Department of Business Oversight.

Yes No

If yes, provide the following license information:

License Number: _____

Type of License/Business: _____

Licensed Issued in the State of: _____

Name and Address of Licensing Entity: _____

Date of Issuance: _____

Expiration Date of License: _____

10. 8. ~~Please provide~~ Provide the name, address, and telephone number of the bonding agent to whom the Department can direct questions regarding the surety bond required in Exhibit B ~~below~~.

(Name of Bonding Agent)

(Telephone ~~no.~~ Number)

(Number and Street)

(City)

(State)

(Zip)

11. 9. ~~Please provide~~ Provide a short description of the applicant's your business plan that includes any information necessary for the Commissioner to obtain an understanding of the type of business the applicant plans to conduct under this license.

10. ~~The following items **MUST BE** provided as Exhibits to the application:~~

REQUIRED EXHIBITS:

EXHIBIT A. BALANCE SHEET. ~~Please provide financial statements, including a balance sheet of the applicant as of a date not more than ninety days prior to the date this application is filed, that indicate a minimum net worth of \$25,000. (Financial Code Section 23007; the balance sheet may be unaudited.)~~

EXHIBIT B. SURETY BOND. ~~Please provide a copy of a surety bond, including any and all riders and endorsements, in the amount of \$25,000. The bond has to be in effect prior to the issuance of a license. Instructions and surety bond form acceptable to the Department of Corporations are enclosed. (Financial Code Section 23013.)~~

EXHIBIT C. STATEMENT OF IDENTITY AND QUESTIONNAIRE. ~~Please provide, for each person named in Items 4, 5, and 6 of this application, a Statement of Identity and Questionnaire, form enclosed (Financial Code Section 23008), along with fingerprint information pursuant to California Penal Code Section 11077.1 and the cost of fingerprint processing. (Financial Code Section 23006.)~~

EXHIBIT D. ~~FOR INDIVIDUAL APPLICANTS ONLY~~ FOR SOLE PROPRIETOR APPLICANT

ONLY: STATEMENT OF CITIZENSHIP. Please complete the enclosed form entitled “Statement of Citizenship, Alienage, and Immigration Status For Application of Department of Corporations License or Certificate.” (Title 10 C.C.R. Section 250.61.)

EXHIBIT E. AUTHORIZATION FOR DISCLOSURE OF FINANCIAL RECORDS. Please retain the enclosed form entitled “Licensee Authorization of Disclosure of Financial Records” and complete and return it to the Corporations Commissioner upon receipt of the license. A person named in Items 4, 5, or 6 of this application who is authorized to sign on behalf of the licensee must sign this form. (Financial Code Sections 23005(b), 23024.)

EXHIBIT F. FICTITIOUS BUSINESS NAME STATEMENT. If the applicant will be doing business under a fictitious business name, provide a copy of the Certificate of Filing and Proof of Publication, both of which bear the County Clerk's filing stamp. Refer to Section 17000 of the Business and Professions Code for the requirements of filing this statement. (Financial Code Section 23023.)

EXHIBIT G. CORPORATE APPLICANT INCORPORATED IN CALIFORNIA (DOMESTIC CORPORATION ONLY). Please submit the following if the applicant is incorporated in the State of California (domestic corporation):

1. An ORIGINAL certificate of good standing or qualification duly executed not more than sixty (60) days before filing this application by the Secretary of State of California showing that the applicant is authorized to do business in this State. The certificate must also indicate the original date of incorporation. (Financial Code Sections 23005(b), 23015.)

~~2. A copy of the notice filed with the Department of Corporations that the initial issuance of shares of stock was entitled to an exemption pursuant to Section 25102 of the Corporations Code or was qualified for issuance in some other manner. (Financial Code Sections 23005(b), 23015.)~~

EXHIBIT H. CORPORATE APPLICANT INCORPORATED IN STATES OTHER THAN

CALIFORNIA (FOREIGN CORPORATION ONLY). Please submit the following if the applicant is incorporated outside of the State of California (foreign corporation): (Financial Code Sections 23005(b), 23015.)

~~1. A certificate of good standing or qualification duly executed not more than sixty (60) days before filing this application by the Secretary of State of the foreign state, or other proper authority, showing that the applicant is authorized to transact business in that state. The certificate must also indicate the original date of incorporation.~~

~~2. A certificate of good standing or qualification duly executed not more than sixty (60) days before the filing of this application by the Secretary of State of California showing that the applicant is authorized to do business in California.——~~

~~3. A Consent to Service of Process (form enclosed). Service made pursuant to the terms of the consent to service of process shall have the same force and validity as if served personally on the applicant.~~

~~4. Name and address of the principal agent in California.~~

EXHIBIT I: GENERAL PARTNERSHIP APPLICANT ORGANIZED IN ANY STATE.

EXHIBIT I. J. APPLICANT ORGANIZED IN CALIFORNIA AS A LIMITED PARTNERSHIP OR

LIMITED LIABILITY COMPANY. ~~If the applicant is a Trust, Limited Partnership or Limited Liability Company organized in California (domestic business entity) submit an ORIGINAL original certificate of good standing, qualification, or other document duly executed not more than sixty (60) days before filing this application by the Secretary of State of California showing that the applicant is authorized to do business in this State. The certificate must also indicate the original date of incorporation. (Financial Code Sections 23005(b), 23015.)~~

EXHIBIT J K. APPLICANT ORGANIZED IN STATES OTHER THAN CALIFORNIA AS A

LIMITED PARTNERSHIP OR LIMITED LIABILITY COMPANY. ~~Please submit the following if the applicant is a Trust, Limited Partnership or Limited Liability Company organized outside of the State of California (foreign business entity): (Financial Code Sections 23005(b), 23015.)~~

- ~~1. A certificate of good standing or qualification duly executed not more than sixty (60) days before filing this application by the Secretary of State of the foreign state, or other proper authority, showing that the applicant is authorized to transact business in that state. The certificate must also indicate the original date of incorporation.~~
- ~~2. A certificate of good standing or qualification duly executed not more than sixty (60) days before the filing of this application by the Secretary of State of California showing that the applicant is authorized to do business in California.~~
- ~~3. A Consent to Service of Process (form enclosed). Service made pursuant to the terms of the consent to service of process shall have the same force and validity as if served personally on the applicant.~~
- ~~4. Name and address of the principal agent in California.~~

EXHIBIT K L. DECLARATION REGARDING LAW AND RULES. ~~Please complete and attach the enclosed declaration regarding the applicant's knowledge of the Deferred Deposit Transaction Law and Rules. Only one responsible officer or director is required to complete this form.~~

EXHIBIT L: M. DECLARATION PURSUANT TO FINANCIAL CODE SECTION 23037, SUBDIVISION (i). ~~Please complete and attach the enclosed declaration regarding offering, arranging, acting an agent for, or assisting a deferred deposit originator in the making of a deferred deposit transaction. Only one responsible officer or director is required to complete this form.~~

EXHIBIT N. ORGANIZATION CHART.

EXHIBIT O. FEDERAL TAXPAYER IDENTIFICATION NUMBER.

EXECUTION SECTION: Complete and sign the enclosed declaration.

EXECUTION SECTION

In the matter of the Application for a License under the California Deferred Transaction Law, I, the undersigned, authorized to act on behalf of the applicant, declare that the following statements are true and correct:

1. That the applicant has read the California Deferred Transaction Law (Division 10 of the California Financial Code) and the regulations (Subchapter 13, Chapter 3, Title 10, California Code of Regulations) and is familiar with their content.

2. That the applicant agrees to comply with the requirements of the California Deferred Deposit Transaction Law, the rules adopted, and any orders issued by the Commissioner.

3. That in the event of any change of its officers, directors, or any other persons named in this application, the applicant will file with the Commissioner an amendment to the application containing the same information in relation to the new person(s) as is required in the application, within 10 business days from the date of the change.

4. That the applicant will file with the Commissioner an amendment to the application prior to any material change in the information contained in the application for licensure, including, without limitation, the plan of operation.

5. By signing the application, the applicant hereby irrevocably appoints the Commissioner of Business Oversight of the State of California, or the Commissioner's successor in office, to be the undersigned's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against the undersigned, or the undersigned's successor, executor, or administrator which arises under the California Deferred Deposit Transaction Law or any rule or order thereunder after this consent has been filed, with the same force and validity as if served personally on the undersigned. For the purpose of compliance with the California Deferred Deposit Transaction Law, notice of the service and a copy of process must be sent by registered or certified mail to the undersigned at the following address:

(Name)

(Number and Street)

(City)

(State)

(Zip Code)

Person to Contact Regarding Application:

Indicate the name, address, title, telephone number, and email address (if applicable) of the person who should be contacted for information regarding this application. The license will also be mailed to this person unless otherwise instructed.

Attention:

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

(Email)

Person to Contact After Licensure:

Indicate the name, address, title, telephone number and email (if applicable) of the person named in Item Numbers 4, 5 or 6 of this application to receive correspondence from the Department of Business Oversight after the issuance of the license. The mailing address is not required to be a licensed location.

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

(Email)

EXECUTION SECTION

Please indicate the name, address, title, and telephone number of the person who should be contacted for information regarding this application. The license will also be mailed to this person **unless otherwise instructed.**

Attention: _____

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

Email Address: _____

~~In the event of the issuance of a license, applicant agrees to comply with the requirements of the California Deferred Deposit Transaction Law and rules adopted, and orders issued, by the Commissioner of Corporations, and further agrees that in the event of any change of its officers, directors, or any persons named in this application, that an amendment to the application reflecting such change shall within sixty days from the date of the change, be filed with the Commissioner of Corporations setting forth the change, the effective date of the change, the names of the persons involved in the change, and a statement of the qualifications of each successor person. (Financial Code Sections 23008, 23010.)~~

WHEREFORE, applicant requests that a license be issued by the Commissioner of ~~Corporations~~ Business Oversight authorizing applicant to engage in business under the California Deferred Deposit Transaction Law within the State of California.

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the applicant, acknowledges that this application and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the applicant that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Business Oversight, and in the event the state tax obligation is not paid by a licensee after a license is issued, the Department of Business Oversight may be required to suspend the license (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury under the laws of the State of California that I have read the foregoing application, including all exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct. **The signor of the declaration must be an individual named in Item Numbers 4, 5 or 6 of this application.**

(Applicant)

Executed at _____
(City, County, State)

(Signature of Declarant)

Date _____

(Typed Name of Declarant)

(Title)

STATE OF CALIFORNIA
DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

EXHIBIT B

INSTRUCTIONS FOR FILING OF SURETY BOND

The attached form contains the approved format for the Surety Bond as required by Financial Code Section 23013. Every company is required to obtain and maintain a surety bond.

The original surety bond must be filed and must include all of the following:

1. The signature of the attorney-in-fact for the surety company.
2. A notarial jurat for the attorney-in-fact.
3. A power of attorney from the surety company.
4. Legal name of the licensee. Business name(s), if applicable, may also be included.
5. The signature of the licensee.
6. The notarial jurat for the signature of the licensee.

BEFORE THE
DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

OF THE
STATE OF CALIFORNIA

EXHIBIT B

SURETY BOND OF DEFERRED DEPOSIT TRANSACTION LAW LICENSEE

FINANCIAL CODE SECTION 23013

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS:

That we _____,

as Principal, whose address for service is

_____,

(Street Address, City, State and ZIP Code)

and _____, a corporation, created, organized and existing under and
by virtue of the laws of the State of _____ and an admitted Surety insurer
authorized to transact a general Surety business in the State of California, as Surety whose address for
service is _____,

(Street Address, City, State and ZIP Code)

are held and firmly bound unto the Commissioner of ~~Corporations~~ Business Oversight of the State of
California, for the use thereof and for the use of any person or persons who may have a cause of action
against the Principal under the provisions of the California Deferred Deposit Transaction Law and all laws
amendatory thereof and supplementary thereto now and hereafter enacted, in the total aggregate penal sum
of _____ Dollars (\$_____) (see Financial Code Section 23013), lawful money of

the United States of America, to be paid to the Commissioner of ~~Corporations~~ Business Oversight of the State of California, or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

The condition of the above obligation is such that--

WHEREAS, the above-named Principal has made application to the Commissioner of ~~Corporations~~ Business Oversight of the State of California for a license to engage in business under and pursuant to the provisions of the California Deferred Deposit Transaction Law, and is required under the provisions of the California Deferred Deposit Transaction Law to furnish a bond in the sum above named, conditioned as herein set forth:

NOW, THEREFORE, the Principal, and any and all agents and employees representing the Principal, shall faithfully conform to and abide by the provisions of the California Deferred Deposit Transaction Law and all laws amendatory thereof and supplementary thereto now and hereafter enacted, and of all rules and regulations lawfully made by the Commissioner of ~~Corporations~~ Business Oversight of the State of California under the California Deferred Deposit Transaction Law and shall honestly and faithfully apply all funds received and shall faithfully and honestly perform all obligations and undertakings under the California Deferred Deposit Transaction Law, and shall pay to the Commissioner of ~~Corporations~~ Business Oversight of the State of California and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due or owing the State or to any such person or persons from the Principal under and by virtue of the provisions of the California Deferred Deposit Transaction Law.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond may, in addition to any other remedy that he or she may have, bring an action in his or her own name upon this bond for the recovery of any damages sustained by him or her.

2. That the total aggregate liability of the Surety or sureties herein shall be limited to the payment of _____ Dollars (\$_____) (insert amount of the bond).

3. This bond may be canceled by the Surety in accordance with the provisions of Sections 996.320 and 996.330 of the Code of Civil Procedure of the State of California.

4. That, in the event either the Principal and/or the Surety under this bond are served with notice of any action commenced against the Principal or the Surety under the bond, the Principal and Surety as each is served with notice of action shall respectively and, within 10 days, give written notice of the filing of such action to the Commissioner of ~~Corporations~~ Business Oversight of the State of California, at the Los Angeles office of the Department of ~~Corporations~~ Business Oversight.

5. That, in the event the Surety under this bond makes full or partial payment on this bond the Surety shall immediately give written notice of such full or partial payment to the Commissioner of ~~Corporations~~ Business Oversight of the State of California, at the Los Angeles office of the Department of ~~Corporations~~ Business Oversight.

6. That the effective date of this bond shall be _____.

Signature of Principal

Typed or Printed Name of Principal

Executed at (City and State)

I certify (or declare) under penalty of perjury that I have executed the foregoing bond under an unrevoked power of Attorney.

Executed in _____ on _____

(City and State)

(Date)

under the laws of the State of California.

Signature of Attorney-in-Fact

for Surety

Printed or typed name of

Attorney-in-Fact for Surety

ALL OF THE ABOVE SIGNATURES MUST BE NOTARIZED

STATE OF CALIFORNIA

DEPARTMENT OF CORPORATIONS BUSINESS OVERSIGHT

EXHIBIT C

File No., if any

Licensee (Company Name)

Licensee (Company Name)

Insert Department of Business Oversight file number, if any, and the name of the licensee (company) to which this Statement of Identity and Questionnaire relates.

(Insert Department of Corporations file number, if any, and the name of the licensee (company) to which this Statement of Identity and Questionnaire relates.)

~~This document (together with any fingerprint information, if applicable) shall be treated by the Department of Corporations as being received in confidence pursuant to paragraph (4) of subdivision (d) of Section 6254 of the Government Code.~~

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

STATEMENT OF IDENTITY AND QUESTIONNAIRE

~~Exact~~Legal Full Name _____

~~(Please Print)~~ First Name Middle Name Last Name

(Do not use initials or nicknames)

Position to be filled in connection with the preparation of this questionnaire (e.g. Officer, Director, Manager, etc.).

Sex _____ Hair _____ Eyes _____ Height _____ Weight _____

~~Birthdate~~ _____ ~~Birthplace~~ _____

~~Birthdate~~ _____ ~~Birthplace~~ _____

~~Social Security or~~ _____ ~~California Driver's License~~

~~Taxpayer's Identification No.~~ _____ ~~No., if any~~ _____

Social Security Number _____

California Driver's License Number

(if none, so state) _____

See Commissioner's Release 2-G regarding
whether furnishing the social security number is
mandatory or voluntary and for a description of the

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

use made of that information.

~~NOTE: See Commissioner's Release 2-G (Revised), attached, regarding whether or not furnishing the social security number is mandatory or voluntary and for a description of the use made of that information.~~

Residence _____ Business _____ Hours of _____
Phone No. _____ Phone No. _____ Employment _____

Residence _____ Business _____
Phone Number _____ Phone Number _____

Email _____ Hours of _____
Address _____ Employment _____
(e.g., 8:00 a.m. to 5:00 p.m.)

1. Residence addresses for the last 10 years:

From	To	Street	City	State
	Present			

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

Attached separate schedule if space is not adequate.

~~NOTE: Attach separate schedule if space is not adequate~~

2. Employment for the last 10 years:

From	To	Employer Name and Address	Occupation and Duties
	Present		

Attach separate schedule if space is not adequate.

~~NOTE: Attach separate schedule if space is not adequate.~~

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

3. a. Have you ever been named in any order, judgment or decree of any court or any governmental agency or administrator, temporarily or permanently restraining or enjoining you from engaging in or continuing any conduct, practice or employment?

Yes No

If the answer is "Yes" give details:

Attach a copy of any order, judgment or decree.

b. Are you currently, or have you been within the last ten years, under federal, state or local investigation for possible violation of any law, ordinance, or licensing or regulatory scheme?

Yes No

If the answer is "Yes" provides details:

4. a. Are you currently licensed to engage in financial service business in this state or any other state?

Yes No

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

Financial service business means securities broker-dealer or agent, investment adviser or investment adviser representative, financial planner, insurance agent, escrow agent, finance lender or broker, mortgage lender or servicer, real estate broker, payday lender, financial institution, bill payer or prorater, commodity sales person, certified public accountant, or any other business involving investment of financial transactions.

If the answer is "Yes", describe in the chart below the following for each license:

<u>License Period</u>	<u>License Number</u>	<u>Type of License/Business</u>	<u>Name and Address of Licensing Entity</u>
<u>From:</u> <u>To:</u>			
<u>From:</u> <u>To:</u>			

Attach separate schedule if space is not adequate.

4. b. Have you ever been refused a license to engage in any business in this state or any other state, or has any such license ever been suspended or revoked, or surrendered subject to a settlement, or any other similar action?

~~Yes~~ ~~No~~

If the answer is "Yes" provide details:

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

Attach a copy of any settlement.

5. Have you ever been convicted of or pleaded nolo contendere to a misdemeanor or felony other than minor traffic violations citations that do not constitute a misdemeanor or felony offense?

~~NOTE: "Convicted" includes a verdict of guilty by judge or jury, a plea of guilty or of nolo contendere or a forfeiture of bail. All convictions must be disclosed even if the plea or verdict was thereafter set aside and the charges against you dismissed or expunged or if you have been pardoned. Convictions occurring while you were a minor must be disclosed unless the record of conviction has been sealed under Section 1203.45 of the California Penal Code or Section 781 of the California Welfare and Institution Code.~~

"Convicted" includes a verdict of guilty by judge or jury, a plea of guilty or of nolo contendere or a forfeiture of bail. All convictions must be disclosed even if the plea or verdict was thereafter set aside and the charges against you dismissed or expunged or if you have been pardoned. Convictions occurring while you were a minor must be disclosed unless the record of conviction has been sealed under Section 1203.45 of the California Penal Code or Section 781 of the California Welfare and Institutions Code.

Yes No

If the answer is "Yes" provide details:

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

Attach a copy of any order, judgment or decree. If a conviction was entered under Section 23152(a) of the Vehicle Code, attach a written declaration stating whether drugs were involved.

6. Have you ever been a defendant in a civil court action other than divorce, condemnation or personal injury?

Yes No

If the answer is "Yes" please complete the following:

Date of suit _____ Location of court _____

Nature of suit _____

Attach a copy of any order, judgment or decree.

7. Have you ever been a subject of a bankruptcy or a petition in bankruptcy?

Yes No

If the answer is "Yes" ~~provide~~ give date, title of case, location of bankruptcy filing:

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

8. Have you ever been refused a bond, or have you ever had a bond revoked or canceled?

Yes No

If the answer is "Yes" ~~provide~~ give details:

9. Have you ever changed your name including a woman's maiden name, or ever been known by any name other than that herein listed?

(Including a woman's maiden name)

Yes No

If so, explain. Change in name through marriage or court order and exact date of each name change ~~must~~ should also be listed. ~~EXACT DATE OF EACH NAME CHANGE MUST BE LISTED~~

Prior Name

Date of Name Change

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

10. Have you ever done business under a fictitious firm name either as an individual or in any form of business, e.g. the partnership, limited liability company, or corporate form corporation, or other form?

Yes No

If the answer is "Yes", give details set forth particulars:

NOTE: The following questions must be answered by all persons submitting this questionnaire in connection with an ESCROW AGENT'S LICENSE.

11. In what capacity will you be employed? _____

(e.g., Clerk, Escrow officer, Manager, Officer, Director, etc.)

~~(E.g., Clerk, Escrow Officer, Manager, Officer, Director, etc.)~~

12. Do you expect to be a party to, or broker or salesman in connection with escrows conducted by the escrow company which is employing you?

Insert Full Name
of Individual: _____

Insert Licensee
(Company Name): _____

Yes No

If the answer is "Yes", give details ~~please explain:~~

~~NOTE: Attach separate schedule if space is not adequate.~~

~~This statement will be considered confidential information and will be filed and maintained as part of the confidential records not subject to public inspection.~~

This statement will be considered confidential information and will be filed and maintained as part of the confidential records not subject to public inspection.

VERIFICATION

I, the undersigned, state that I am the person named in the foregoing Statement of Identity and Questionnaire; that I have read and signed said Statement of Identity and Questionnaire and know the contents thereof, including all exhibits attached thereto, and that the statements made therein, including any exhibits attached thereto, are true, and that I have not omitted any information needed to make this document true.

This verification may be made either before a Notary Public or as a declaration under penalty of perjury. This form MUST be executed before a Notary Public if it is executed OUTSIDE the State of California.

I certify/declare under penalty of perjury
that the foregoing is true and correct.

Executed at _____

(City)

(County)

(State)

this _____ day of _____, 20____.

(Print Name)

(Signature of ~~Declarant~~ Individual)

State of _____)

County of _____)

Date _____, 20 _____

at _____

(Signature of ~~Affiant~~ Individual)

Subscribed and sworn to before me

_____, 20 _____

Notary Public in and for said County and State

NOTE: This verification may be made either before a Notary Public or as a declaration under penalty of perjury. This form MUST be executed before a notary public if it is executed OUTSIDE the State of California.

STATE OF CALIFORNIA

DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

EXHIBIT E

LICENSEE AUTHORIZATION FOR DISCLOSURE OF FINANCIAL RECORDS

Pursuant to Financial Code Section 23024 and Government Code Section 7473, any financial institution, wherever situated, possessing financial records of

(Name of Company as appears on Application)

Licensed under the **CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW**

is hereby authorized to disclose to the California Department of ~~Corporations~~ Business Oversight records of the above-named business licensed under the above-described Act, whether such records relate to accounts which have been closed, accounts which are currently maintained, or accounts which are hereafter established.

This authorization is effective as of the date of execution and shall remain effective until two (2) years after the expiration or revocation of the above-named business licensed under the above-described Act, including renewals of such license.

This authorization may not be revoked.

The terms used in this authorization shall have the definitions contained in the California Right to Financial Privacy Act (Government Code Section 7460 et seq.), and the California Deferred Deposit Transaction Law (Financial Code Section 23000 et seq.).

The above-named Licensee has duly caused this authorization to be signed on its behalf by the undersigned, thereunto duly authorized.

Executed on _____ at _____

(Provide date and city where executed)

(Name of Licensee)

By _____

(Signature)

(Title)

STATE OF CALIFORNIA

DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

INSTRUCTIONS FOR LICENSEE AUTHORIZATION

FOR DISCLOSURE OF FINANCIAL RECORDS FORM

On the reverse side is a Licensee Authorization for Disclosure of Financial Records form. The Commissioner of ~~Corporations~~ Business Oversight is authorized to require such authorization from licensees and other persons pursuant to the authority cited in Financial Code Section 23024.

The form must be properly executed and submitted prior to the issuance of a license, qualification, registration, or other authority, and as a condition therefor.

All information required on the form, except the signature of the person executing the form, is to be typewritten.

If additional authorization forms are needed, they may be obtained from any office of the Department of ~~Corporations~~ Business Oversight, or an accurate copy of the form may be used by applicant.

**~~TO THE COMMISSIONER OF CORPORATIONS OF
THE STATE OF CALIFORNIA~~**

~~CONSENT TO SERVICE OF PROCESS~~

~~EXHIBITS H AND J~~

~~KNOW ALL MEN BY THESE PRESENTS:~~

That the undersigned, _____ (a corporation, partnership or limited liability company organized under the laws of the State of _____),

OR

(an individual),

OR

(other entity)]

hereby irrevocably appoints the Commissioner of Corporations of the State of California, or the Commissioner's successor in office, to be the undersigned's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against the undersigned, or the undersigned's successor, executor, or administrator which arises under the California Deferred Deposit Transaction Law or any rule or order thereunder after this consent has been filed, with the same force and validity as if served personally on the undersigned.

For the purpose of compliance with the California Deferred Deposit Transaction Law of the State of California, notice of the service and a copy of the process should be sent by registered or certified mail to the undersigned at the following address:

(Name and Address)

Dated: _____, _____.

~~{Insert name of corporation, partnership, limited liability company or other entity}~~

By _____

Title _____

OR

~~{Insert name of individual}~~

ACKNOWLEDGEMENT

State of California _____)

County of _____)

On _____ before me, _____

(here insert name and title of the officer), personally

appeared _____ who

provided to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the

within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized

capacity(ies), and that by his/her/their signature(s) on the instrument are the person(s), or the entity upon behalf

of which the person(s) acted, executed the instrument.

I certify under ~~PENALTY OF PERJURY~~ under the laws of the State of California that the foregoing paragraph is true and correct.

~~WITNESS my hand and official seal.~~

Signature _____ (Seal)

Any certificate of acknowledgement taken in another place shall be sufficient in the State of California if it is taken in accordance with the laws of the place where the acknowledgement is made.

STATE OF CALIFORNIA
DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

EXHIBIT ~~K~~ L

DECLARATION REGARDING LAW & AND RULES
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LICENSE

In the matter of the Application for a License under the California Deferred Deposit Transaction Law, I, the undersigned, authorized to act on behalf of the applicant, declare that the following statements are true and correct:

I (we) have ~~obtained and read copies of~~ the California Deferred Deposit Transaction Law (Division 10 of the California Financial Code) and the ~~R~~rules (Chapter 3, Title 10, California Code of Regulations) and am familiar with their content; and,

I (we) agree to comply with all of the provision of the California Deferred Deposit Transaction Law, including any rules or orders of the Commissioner of ~~Corporations~~ Business Oversight.

Additionally, by signing this declaration ~~as provided for on the Execution Page~~, the applicant hereby agrees (or attests) or declares their understanding of the following items listed below:

1. ~~That the applicant will submit to periodic examinations by the Commissioner of Corporations as required by the California Deferred Deposit Transaction Law.~~ That the applicant agrees that the license is not transferable or assignable in accordance with Financial Code Section 23018.
2. ~~That the applicant will keep and maintain all records for 2 years following the last entry on a deferred deposit transaction and will enable an examiner to review the record keeping and reconcile each consumer deferred deposit transaction with documentation maintained in the consumer's file records.~~ That the applicant agrees to not conduct any deferred deposit transaction business under any other name or at any other place of business than that named in the license.
3. ~~That the applicant understands the examination process involving the reconciliation of records will be facilitated if the applicant maintains, at a minimum, a ledger or listing of the following current and updated information for each deferred deposit transaction (as specified in Financial Code Section 23035): customer's name and address, account number, check number, amount provided, fee, amount of check, corresponding annual percentage rate (e.g. 14 day or 30 day), and the deferred due date.~~ That the applicant agrees to file a short form license application to obtain a license for each additional location where deferred deposit transaction business will be conducted, including locations where deferred deposit transaction business will be conducted over the Internet.

4. ~~That the applicant will maintain a file of all advertising for a period of 90 days from the date of its use, which will be available to the Commissioner of Corporations upon request.~~

- ~~4. 5.~~ That in the event of any change of its officers, directors, or any other persons named in this application, the applicant will agrees to file with the Commissioner of Corporations an amendment to the application containing the same information in relation to the new person(s) as is required with the application, within 10 business days from the date of the change. this application prior to any material change in the information contained in the application for licensure, including, without limitation, the plan of operation.

- ~~5. 6.~~ That the applicant agrees to will file with the Commissioner of Corporations an amendment to the application prior to any material change in the information contained in the application for licensure, including, without limitation, the plan of operation. any report required by the Commissioner.

6. That the applicant agrees to file with the Commissioner any report required by the Commissioner.

7. ~~That the applicant hereby attests that the applicant (including officers, directors and principals) has not engaged in conduct that would be cause for denial of a license. Only one declaration required for each applicant. That, if applicable, the applicant agrees to comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at Section 17900.~~

8. That the applicant agrees to notify the Department of Business Oversight in writing that it intends to offer a new product or service at any licensed location at least 10 business days prior to offering the new product or service.

9. That the applicant agrees to report any change of business location at least 10 business days prior to the change.
10. That the applicant agrees to notify the Department of Business Oversight of any change to the information of the person named to receive correspondence from the Department of Business Oversight after the issuance of the license.
11. That the applicant agrees to file with the Commissioner any report required by the Commissioner by the due date, including but not limited to, the annual report required under Financial Code Section 23026.
12. That the applicant agrees to pay an annual assessment by the due date to the Department of Business Oversight under Financial Code section 23016.
13. That the applicant agrees that any person that arranges a deferred deposit transaction for the applicant, acts as an agent for the applicant, or assists the applicant in making a deferred deposit transaction is required to be licensed under the California Deferred Deposit Transaction Law.
14. That the applicant agrees to be examined by the Commissioner as required under Financial Code Section 23046.
15. That the applicant agrees to pay for the cost of each examination.

16. That the applicant, if located outside the State of California, agrees to make available to the Commissioner or the Commissioner's representatives, at a location in this state designated by the Commissioner or the Commissioner's representatives, the books, accounts, papers, records, and files within 10 calendar days of the Commissioner's request for the books and records; or pay the reasonable expenses for travel, meals, lodging of the Commissioner or the Commissioner's representatives incurred during any investigation or examination made at applicant's location outside this state.
17. That the applicant agrees to maintain, at a minimum, a ledger or listing of the current information for each deferred deposit transaction, to facilitate the reconciliation of records.
18. That the applicant agrees to use and keep books, accounts and records that will enable the Commissioner to determine whether the licensee is complying with the California Deferred Deposit Transaction Law and the regulations, including but not limited to, evidence of the customer's personal check; and agrees to maintain books, accounts, and records for two years following the last entry on a deferred deposit transaction.
19. That the applicant agrees to maintain a net worth of at least \$25,000 at all times and maintain quarterly financial statements prepared in accordance with generally accepted accounting principles.
20. That the applicant agrees to maintain a surety bond in the amount of \$25,000 at all times.
21. That the applicant agrees to maintain a file of all advertising for a period of 90 days from the date of its use, which will be available to the Commissioner upon request.

22. That the applicant agrees to comply with the advertising requirements of Financial Code Section 23027, including disclosing in any advertising that the licensee is licensed by the Department of Business Oversight pursuant to the California Deferred Deposit Transaction Law.
23. That the applicant agrees that disclosures made in any advertising shall be in the same language as the advertisement.
24. That the applicant agrees that deferred deposit transaction business over the Internet shall comply with Section 2030.36 of Title 10 of the California Code of Regulations.
25. That the applicant agrees that the sale or transfer of a deferred deposit transaction shall comply with Section 2030.48 of the Title 10 of the California Code of Regulations.
26. That the applicant agrees that the face amount of the check for a deferred deposit transaction shall not exceed \$300 and the fee shall not exceed 15% of the face amount of the check.
27. That the applicant agrees that a single charge of up to \$15 is permitted for a deferred deposit check dishonored by a financial institution.
28. That the applicant agrees that no fees may be charged to a customer for an extension of time or a payment plan to a customer, for repayment of an existing deferred deposit transaction.
29. That the applicant agrees to not charge any amounts, directly or indirectly, in a deferred deposit transaction in excess of the fees authorized under the California Deferred Deposit Transaction Law.

30. That the applicant agrees that the term of a deferred deposit transaction shall not exceed 31 days.
31. That the applicant agrees to conspicuously post the license in the place of business identified on the license.
32. That the applicant agrees to conspicuously post a schedule of fees in letters at least one-half inch in height at the licensed location as required under Financial Code Section 23019.
33. That the applicant agrees to conspicuously post the notice with the required disclosures in letters at least one-half inch in height at the licensed location as required in Financial Code Sections 23035, subdivision (d).
34. That the applicant agrees to provide a notice with the required disclosures to customers as required under Financial Code Section 23035, subdivision (c).
35. That the applicant agrees to not accept or use the same check for a subsequent transaction or accept more than one check for a single deferred deposit transaction.
36. That the applicant agrees to not permit a customer to pay off an existing deferred deposit transaction with funds from a new deferred deposit transaction.
37. That the applicant agrees to not accept any collateral for a deferred deposit transaction.
38. That the applicant agrees to not make a deferred deposit transaction contingent on the purchase of insurance or any other goods or services.

39. That the applicant agrees to not enter into a deferred deposit transaction with a customer during the period that an earlier deferred deposit transaction is in effect for that customer.
40. That the applicant agrees that a customer who enters into a deferred deposit transaction shall not be subject to, or threatened with any criminal penalty for the failure to comply with the terms of that agreement. The applicant agrees to not refer a check taken in a deferred deposit transaction to a prosecutor or district attorney's check diversion program established pursuant to Section 1001.60 of the Penal Code, or other law enforcement official, for purposes of collection or criminal prosecution, unless the prosecutor or law enforcement official requested the check as part of an investigation not initiated by the licensee.
41. That the applicant agrees to not 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 transactions.
42. That the applicant hereby attests that the applicant and persons specified in Financial Code Section 23011 have not engaged in conduct that would be cause for denial of a license. Only one declaration is required for the application.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____

(date)

(place)

(Signature)

(Print name and title)

STATE OF CALIFORNIA
DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT
EXHIBIT L M

DECLARATION PURSUANT TO
FINANCIAL CODE SECTION 23037, SUBDIVISION (i), OF THE
CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW

In the matter of the Application for a License under the California Deferred Deposit Transaction Law, I, the undersigned, authorized to act on behalf of the applicant, declare that the following statements are true and correct:

1. The applicant will comply with all federal and state laws and regulations, including the California Deferred Deposit Transaction Law, ~~(including Division 10, commencing with Section 23000, of the Financial Code), if it in offering, arranging or acting as an agent for, or assisting a deferred deposit originator in the making of a deferred deposit transaction. offers, arranges, acts as an agent for, or assists a deferred deposit originator in the making of a deferred deposit transaction. (Financial Code Section 23037(i).)~~

2. The applicant will comply with all of the requirements ~~of the exception~~ specified in paragraphs (1) and (2) of subdivision (i) of Financial Code Section 23037. ~~, if it offers, arranges, acts as an agent for, or assists a state or federally chartered bank, thrift, savings association, or industrial loan company, in the making of a deferred deposit transaction. (Financial Code Section 23037(i)(1)(2).)~~

Will applicant engage in activities with a financial institution as described in item number 2 above?

Yes No

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on _____ at _____.

(Date)

(City and State)

(Signature)

(Print name and title)

~~NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23005(b) and 23015, Financial Code; Section 1189, Civil Code; and Section 11077.1, Penal Code.~~

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 31, 494.5, and 17900, Business and Professions Code; Sections 996.320 and 996.330, Code of Civil Procedure; Section 25100, Corporations Code; Section 17520, Family Code; Sections 23001, 23005, 23006, 23007, 23008, 23010, 23011, 23012, 23013, 23016, 23018, 23019, 23020, 23021, 23024, 23026, 23027, 23035, 23036, 23037, and 23046, Financial Code; Section 7460, Government Code; Section 1001.60 and 1203.45, Penal Code; Section 23152, Vehicle Code; and Section 781, Welfare and Institutions Code.

2. Amend Section 2021 to read:

§ 2021. Short Form Application for Deferred Deposit Transaction Licensee Seeking Additional Location License; Form.

(a) The application for a licensee seeking an additional location license pursuant to Financial Code Section 23005, subdivision (c), shall be filed upon the form set forth in subdivision (c) of this section. An applicant under this section must currently hold a valid deferred deposit transaction license pursuant to Financial Code Section 23005, subdivision (a).

(b) Within 20 calendar days from the receipt of the application ~~under this rule~~, the Commissioner shall inform the applicant, in writing, that the application is ~~complete and accepted for filing, or that the application is deficient and specify what information is required to complete the application~~. Within 15 calendar days from the filing of a completed application, the Commissioner shall reach a decision on the license and notify the licensee of the decision in writing.

(c) An application for a license as set forth in subdivision (a) shall be submitted to the Commissioner of Business Oversight on the following form:

STATE OF CALIFORNIA

DEPARTMENT OF BUSINESS OVERSIGHT

DIVISION OF CORPORATIONS

INSTRUCTIONS FOR COMPLETING

THE SHORT FORM APPLICATION FOR A LICENSE

UNDER THE CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW (CDDTL)

ASSISTANCE WITH THE APPLICATION

Refer to these instructions while completing the CDDTL application. If you have questions about the application that are not answered by these instructions, call the Department of Business Oversight's toll-free telephone number at 1-866-275-2677. Departmental personnel cannot provide individual legal or accounting advice. Applicants seeking such advice should consult a qualified professional.

GENERAL INSTRUCTIONS:

The application and all exhibits must be typewritten. All signatures must be original and not a copy. Answer each question in the application, unless directed otherwise by these instructions. Attach additional pages if you need more space to complete an answer to any of the questions, and label the answers by the corresponding question number or exhibit number.

FEES:

The application must be accompanied by a nonrefundable application fee of \$200 and an investigation fee of \$100. The application fee and investigation fee are not refundable if the application is denied or withdrawn.

WHERE TO SUBMIT APPLICATION AND FEES:

Make the check payable to the Department of Business Oversight for the total amount of all fees. The application, exhibits to the application, and fees must be filed in the Los Angeles office of the Department of Business Oversight, located at 320 West 4th Street, Suite 750, Los Angeles, California 90013. **An application that does not include all the required information, exhibits and fees will not be processed.**

THE CDDTL SHORT FORM APPLICATION

References to exhibits in these instructions pertain to specific documents that must be submitted with the CDDTL application. The headings used in these instructions correspond to the item numbers and exhibit number in the application.

ITEM NUMBER 1 OF APPLICATION:

1.a. Name of Applicant:

Provide the applicant's legal name. Some foreign entities are required by the California Secretary of State to use an assumed name for any business conducted in California. These entities should provide that assumed name as the "Name of Applicant". The entities may only use that name and are not permitted to use a fictitious business name.

1.b. Fictitious Business Name:

An applicant that intends to conduct CDDTL business under a fictitious business name that is different from its legal name must provide the fictitious business name. Enter the name exactly it appears on the Fictitious Business Name Statement filed with the county clerk. The fictitious business name must be provided in addition to the name in Item Number 1.a.

A fictitious business name is not permitted for a new location unless the Department of Business Oversight has already approved the use of that name. If the fictitious business name has not been previously approved by the Department of Business Oversight, submit a copy of the Fictitious Business Name Statement with the

“filed ” stamp from the county clerk’s office. The applicant’s name must appear as the registrant on the Fictitious Business Name Statement. Label the document as Exhibit A.

Applicants that intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in Business and Professions Code Section 17900 et seq.

ITEM NUMBER 2 OF APPLICATION:

2.a. Applicant’s Licensed Place of Business:

Provide the applicant’s complete proposed place of deferred deposit transaction business, including number and street, city, county, state, zip code, telephone number, and fax number.

2.b. Mobile Unit Location:

Provide the following information for any mobile unit business location: manufacturer, model, year, color, vehicle identification number (VIN), and license plate number. Provide the proposed area where the mobile unit will operate.

ITEM NUMBER 3 OF APPLICATION:

Person Who will be in Charge of Location:

Provide the full name, address, telephone number, and email of any person(s) who will be in charge of the place of business, e.g., store manager. A manager is a person with authority to manage the operations of the business in California.

ITEM NUMBER 4 OF APPLICATION:

Other Business at Location:

Describe, if applicable, any other business that is being conducted or will be conducted at the location identified in Item Number 2.

ITEM NUMBER 5 of APPLICATION:

Applicant's Plan of Business:

Mark the appropriate box with a "yes" or "no" to indicate if there has been any change in the plan of business that was previously submitted to the Department of Business Oversight. If "yes", explain the change.

ITEM NUMBER 6 OF APPLICATION:

CDDTL License Number:

Provide the license number and address of a CDDTL license currently held by the licensee.

ITEM NUMBER 7 OF APPLICATION:

Contact Person for Application:

Provide the name, title, address, email, and telephone number of the person to contact regarding the application. The license will be mailed to this person unless otherwise directed.

ITEM NUMBER 8 OF APPLICATION:

Contact Person After Issuance of License:

Provide the name, title, address, email, and telephone number of the person to receive correspondence from the Department of Business Oversight after the issuance of the license.

EXHIBITS:

EXHIBIT A: Fictitious Business Name Statement

Submit a copy of the current Fictitious Business Name Statement with the “filed” stamp from the county clerk’s office. The applicant’s name must appear as the registrant on the Fictitious Business Name Statement. Label the document as Exhibit A.

EXHIBIT B: Federal Taxpayer Identification Number:

Corporations, partnerships, limited liability companies and other business entities, except sole proprietorships, applying for a license must provide the federal taxpayer identification number. Label the document as Exhibit B.

The Department of Business Oversight is required to collect from all applicants’ social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers and federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the

confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

SIGNATURE SECTION:

Provide the required information. The Signature Section must be signed by the applicant in the case of a sole proprietor; a general partner, if a partnership; a managing member, if a limited liability company; or an authorized officer, if a corporation. This individual must have already been reported in the Application for a Deferred Deposit Transaction License filed pursuant to Financial Code Section 23005, subdivision (b), and submitted the Statement of Identity and Questionnaire and fingerprint information, and is authorized to act in this capacity on behalf of the applicant.

(Department of ~~Corporations~~ Business Oversight Use Only)

DEPARTMENT OF ~~CORPORATIONS~~

BUSINESS OVERSIGHT

Fee Paid \$ _____

File No. _____

Receipt No. _____

STATE OF CALIFORNIA

DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

DIVISION OF CORPORATIONS

“SHORT FORM APPLICATION”

FOR A LICENSE UNDER THE

CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW

~~(FOR A LICENSEE CURRENTLY HAVING ONE OR MORE LICENSES LICENSED LOCATIONS)~~

This application must be accompanied by a non-refundable application fee of ~~\$200~~ \$300 ~~which includes an application fee of \$200,~~ and a non-refundable ~~an~~ investigation fee of \$100, ~~both of which are non-refundable.~~

~~(Financial Code Section 23006.)~~ The application (together with the fees payable to the Department of ~~Corporations~~ Business Oversight) must be filed only in the Los Angeles ~~Sacramento~~ office of the Department of ~~Corporations~~ Business Oversight, located at ~~1515 K Street, Suite 200, Sacramento, California 95814~~ 320 West 4th Street, Suite 750, Los Angeles, CA 90013.

Proposed area in which the mobile unit will operate: _____

3. The FULL first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and email (if any) of the individual in charge of this location.

*(First Name)

(Middle Name)

(Last Name)

(Number and Street)

(City)

(State)

(Zip Code)

(Telephone Number)

(Email)

~~(*Furnish a Statement of Identity and Questionnaire, form enclosed (Financial Code Section 23008), along with a fingerprint card obtained from the Department of Corporations and the cost of fingerprint processing (Financial Code Section 23006). If a Statement of Identity and Questionnaire has already been provided to the Department of Corporations for this individual, there is no need to provide another form. (Financial Code Section 23008.) Check cashers that held a valid permit prior to January 1, 2003 issued pursuant to Civil Code Section 1789.37, that have been making deferred deposits prior to January 1, 2003 and that fingerprint information on file with the Department of Justice, must provide a Statement of Identity and Questionnaire but do not need to provide new fingerprint cards for persons who already have their cards on file with the Department of Justice. (Financial Code Section 23100.))~~

4. Does the applicant conduct or intend to conduct any other business at the proposed licensed place of business listed in Item Number 2.a.?

Yes No

If yes, describe any business being conducted or planned to be conducted on the applicant's premises.

5. 4. Please indicate by marking the appropriate box if there has been or will be ANY CHANGE in the applicant's plan of business previously submitted to the Department of Corporations. Business Oversight including but not limited to, any other business being conducted or to be conducted by the licensee at any of its licensed locations, or changes to the operation of the deferred deposit transaction business.

Yes (please explain) _____

No

6. ~~5.~~ ~~Please provide~~ Provide the license number and address of one other California Deferred Deposit Transaction license held by this applicant.

~~File #~~ License Number _____ Address _____

7. ~~6.~~ ~~Please provide~~ Provide the name, address, title, telephone number, and email ~~e-mail address~~ (if ~~applicable~~ any) of the person to contact regarding this application. The license will ~~also~~ be mailed to this person unless otherwise instructed.

Attention: _____

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

(Email) ~~Address~~: _____

8. Indicate the name, address, title, telephone number and email (if any) of the person to receive correspondence from the Department of Business Oversight after the issuance of the license. The person must be the applicant, in the case of a sole proprietor; a general partner, if a partnership; a managing member, if a limited liability company; or an authorized officer, if a corporation. The mailing address is not required to be a licensed location.

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

(Email)

REQUIRED EXHIBITS:

EXHIBIT A. FICTITIOUS BUSINESS NAME STATEMENT.

EXHIBIT B. FEDERAL TAXPAYER IDENTIFICATION NUMBER.

SIGNATURE SECTION:

In the event of the issuance of a license, applicant agrees to comply with the requirements of the California Deferred Deposit Transaction Law and rules adopted, and orders issued, by the Commissioner of ~~Corporations~~, and further agrees that in the event of any change of its officers, directors, or any other persons named in this application, that an amendment to the application containing the same information in relation to the new person(s) as is required in the application shall be filed with the Commissioner reflecting such change shall within sixty 10 business days from the date of the change, ~~be filed with the Commissioner of Corporations~~ setting forth the change, the effective date of the change, and the names of the persons involved in the change, ~~and a statement of the qualifications of each successor person.~~ ~~(Financial Code~~

~~Sections 23008, 23010.)~~ Applicant acknowledges that the Short Form Application supplements the information provided in the original application for a license under the California Deferred Deposit Transaction Law filed pursuant to Financial Code Section 23005, subdivision (b). ~~(Financial Code Section 23005(b) & (c).)~~

WHEREFORE, applicant requests that a license be issued by the Commissioner of ~~Corporations~~ Business Oversight authorizing applicant to engage in business under the California Deferred Deposit Transaction Law within the State of California.

If the proposed location in Item Number 2 is outside of California, the applicant agrees to make available to the Commissioner or the Commissioner's representatives, at a location in this state designated by the Commissioner or the Commissioner's representatives, the books, accounts, papers, records, and files, within 10 calendar days of the Commissioner's request for the books and records, or pay the reasonable expenses for travel, meals, lodging of the Commissioner or Commissioner's representatives incurred during any investigation or examination made the location outside this state.

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the applicant, acknowledges that this application and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the applicant that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Business Oversight, and in the event the state tax obligation is not paid by a licensee after a license is issued, the Department of Business Oversight may be required to suspend the license (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury that I have read the foregoing application, including all exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct.

(Applicant)

Executed at _____

(Signature of Declarant)*

Date _____

(Typed Name of Declarant)*

(Title)

*This Short Form Application must be signed by a person who has PREVIOUSLY completed and submitted a Statement of Identity and Questionnaire. No other person is authorized to sign documents on behalf of the applicant.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23005(c) and 23015, Financial Code.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 31, 494.5, and 17900, Business & Professions Code; Section 17520, Family Code; Section 23005, 23006, and 23046, Financial Code.

3. Section 2022 is adopted to read:

§ 2022. License Application: Out-of-State Business Locations.

(a) A deferred deposit originator license for a business location outside this state may be issued if the applicant agrees in writing in the license application to:

(1) Make the deferred deposit originator's books, accounts, papers, records and files available to the Commissioner or the Commissioner's representatives at a location in this state designated by the Commissioner, within 10 calendar days of the Commissioner's request for the books and records; or

(2) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or the Commissioner's representatives incurred during any investigation or examination made at the deferred deposit originator's location outside this state.

(b) The Commissioner shall determine at the time of examination or investigation whether the examination or investigation will be conducted under paragraph (1) or (2) of subsection (a).

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23024, Financial Code.

4. Section 2022.1 is adopted to read:

§ 2022.1. Notices Included with Applications.

The following notices required by state and federal law are hereby provided for those completing an application for a deferred deposit transaction license in Section 2020 of these rules:

NOTICES REQUIRED UNDER STATE AND FEDERAL LAW

INFORMATION PRACTICES ACT OF 1977

(California Civil Code Section 1798.17)

(a) The Department of Business Oversight of the State of California is requesting the information specified in the application for licensure of deferred deposit originators.

(b) The Chief Administrative Officer, the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Business Oversight's records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the California Deferred Deposit Transaction Law (Financial Code Section 23000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. The Department of Business Oversight is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Business Oversight from approving the application.

(f) The principal purposes within the Department of Business Oversight for which the information is to be used are to determine whether (1) a license, registration, or other authority, as allowed under the law, should be accepted, granted, approved, denied, revoked or limited in any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Business Oversight are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Business Oversight are being or have been violated and whether administrative action, civil action, or referral to appropriate federal, state or local law enforcement or regulatory agencies, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement and regulatory agencies.

(h) The Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Business Oversight.

FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) The Department of Business Oversight is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 2020, 2021 and 2022.1 of Title 10, California Code of Regulations; Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provide by the State Board of Equalization and Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Business Oversight and in the event the state tax obligation is not paid by a licensee, the Department of Business Oversight may be required to suspend the license.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 31 and 494.5, Business and Professions Code; Sections 1798.17 and 1798.24, Civil Code; Sections 23005, 23008, and 23011, Financial Code; Section 17520, Family Code; Sections 7470, 7473, 7490 and 13140-13144, Government Code; and Section 7 of Public Law 93-579 (5 U.S.C. Section 552a note).

5. Section 2023 is adopted to read:

§ 2023. Definition of Deferred Deposit Originator.

(a) A deferred deposit originator includes any person in subdivisions (d) or (f) of Section 23001 of the Financial Code who offers, originates, or makes a deferred deposit transaction, arranges a deferred deposit transaction for a deferred deposit originator, acts as an agent for a deferred deposit originator, or assists a deferred deposit originator in the origination of a deferred deposit transaction, in this state by

originating business from or directing business to this state by mail, brochure, print, telephone, radio, television, Internet or any other means, whether or not the person has a location in this state.

(b) A person who engages in any of the activities in subsection (a) is required to obtain a license under the California Deferred Deposit Transaction Law.

(c) For purposes of the California Deferred Deposit Transaction Law, a person assists a deferred deposit originator in the origination of a deferred deposit transaction by, or by attempting to:

(1) Advertise or market a deferred deposit transaction;

(2) Gather applications for, or offer to make a deferred deposit transaction;

(3) Collect personal information from prospective customers to pass on to another person or entity that originates or offers to originate a deferred deposit transaction; and

(4) Is engaged in the business, whether or not the prospective customer actually obtains a deferred deposit transaction.

(d) This section does not apply to any person who merely disseminates the advertisement of a licensed deferred deposit originator in mediums such as newspaper, Internet, radio or television, and any payment or compensation received by the person is in exchange for the placement of the advertisement in the medium.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23001 and 23005, Financial Code.

6. Section 2023.1 is adopted to read:

§ 2023.1. Prohibition Against Transfer of License or Business Location.

(a) A deferred deposit originator shall not assign, lease, rent, sell or otherwise transfer a license or a business location to any person in any manner that allows the making of a deferred deposit transaction at the business location as a separate business from the deferred deposit originator.

(b) A deferred deposit originator shall control and supervise any person who offers, arranges, assists, or acts as an agent in the making of a deferred deposit transaction at the business location.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23018 and 23037, Financial Code.

7. Section 2023.2 is adopted to read:

§ 2023.2. Definition of Employee.

(a) For purposes of determining who is a “licensee” in subdivision (d) of Financial Code section 23001, “an employee regularly employed by a licensee at the licensee’s place of business” is defined as an individual whose compensation for federal income tax purposes is reported, or required to be reported, on a W-2 form issued by the licensee.

(b) “An employee regularly employed by a licensee at the licensee’s place of business” does not include an independent contractor for purposes of the California Deferred Deposit Transaction Law.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23001, Financial Code.

8. Section 2024 is adopted to read:

§ 2024. Officers, Directors, Partners, Managing Members and Other Persons: Maintenance of Current List with Commissioner: Information Required.

(a) A deferred deposit originator shall at all times maintain on file with the Commissioner a current list of officers; directors; partners in the case of a partnership; managing members in the case of a limited liability company; persons owning or controlling, directly or indirectly, 10 percent or more of the outstanding interests or equity securities of the deferred deposit originator; persons in charge of the licensed locations; persons responsible for the licensee’s deferred deposit activities in California; and any other

person named in the license application. Changes in partnerships are limited to the conditions set forth in subdivision (b) of Section 23018 of the Financial Code.

(b) In the event of any change of its officers, directors, partners or other persons named in the license application, a deferred deposit originator shall file with the Commissioner an amendment to the application containing the same information concerning the new person(s) as is required in the application, and the effective date of the change and the name(s) of the person(s) involved in the change, within ten business days from the date of the change. A Statement of Identity and Questionnaire and fingerprint information must be provided with the notification of change for those new persons specified in Financial Code Section 23008.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23008 and 23010, Financial Code.

9. Section 2024.1 is adopted to read:

§ 2024.1. Denial or Suspension of License for Delinquent Taxes

An application for a license under the California Deferred Deposit Transaction Law may be denied or a license may be suspended if the California Franchise Tax Board or California Board of Equalization certifies under Business and Professions Code section 494.5 that the applicant or licensee is liable for delinquent California state taxes. An applicant whose license application is denied or a licensee whose license is suspended for delinquent taxes is entitled to notice under Section 494.5 of the Business and Professions Code, but is not entitled to any other notice or a hearing under the California Deferred Deposit Transaction Law.

NOTE: Authority cited: Section 494.5, Business and Professions Code. Reference: Section 494.5, Business and Profession Code.

10. Section 2024.2 is adopted to read:

§ 2024.2. Denial or Suspension of License for Child Support.

An application for a license under the California Deferred Deposit Transaction Law may be denied or a license may be suspended if the applicant or licensee is an individual and the California Department of Child Support Services certifies under Family Code section 17520 that the applicant or licensee failed to comply with a child support order. An applicant whose license application is denied or a licensee whose license is suspended is entitled to notice under Section 17520 of the Family Code, but is not entitled to any other notice or a hearing under the California Deferred Deposit Transaction Law.

NOTE: Authority cited: Section 17520, Family Code. Reference: Section 17520, Family Code.

11. Section 2024.3 is adopted to read:

§ 2024.3. Practices Regarding Members of the Military.

(a) Before entering into a deferred deposit transaction, a deferred deposit originator shall determine whether the customer is a covered borrower as defined under Section 232.5 of Title 32 of the Code of Federal Regulations.

(b) A deferred deposit originator shall retain for each deferred deposit transaction a signed covered borrower identification statement or other evidence of verification of the status of the applicant.

(c) A deferred deposit originator shall comply with the provisions of Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) and Section 232 of Title 32 of the Code of Federal Regulations, including the prohibition against using in a deferred deposit transaction a post-dated check, debit authorization, or other method of access to a financial account maintained by the covered member or dependent.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23038, Financial Code; Section 232.5, Title 32, Code of Federal Regulations; and Section 987(e)(5), Title 10, United States Code.

12. Section 2025 is amended to read:

§ 2025. Books and Records: Standards for Keeping.

(a) For purposes of this section, the term “long form application” means the initial application submitted to the Department to conduct deferred deposit transactions in California under Section 2020 of these rules.

(b) A ~~licensee~~ deferred deposit originator shall maintain the following books, records and accounts at the licensed place of business provided in its long form application, provided that records maintained at the each additional location are available at the licensed location within 24 hours of request: records demonstrating minimum net worth requirements in compliance with Section 23007 of the Financial Code including quarterly unaudited balance sheets, records demonstrating surety bond requirements in compliance with Section 23013 of the Financial Code, a list of licensed locations by address and license number, the advertising file as provided in subsection (f), bank or other financial institution statements, and any other records ~~identified by written demand~~ upon request of the Commissioner.

(c)(1) Except as provided in subsection (e), records to be maintained at each licensed business location for each deferred deposit transaction shall include at least the following: the deferred deposit transaction agreement, evidence of the check as provided in subsection (d)(4) and (d)(5), written disclosure(s) used to provide notice in compliance with subdivision (c) of Section 23035 of the Financial Code and Sections 2030.21 and 2030.22 of these rules, record of any and all extensions of time or payment plans for repayment of an existing deferred deposit transaction, record of time periods for each transaction, record of transaction fees and charges, and record of transaction payments.

(2) Records to be maintained at each licensed business location may include the advertising file as provided in subsection (f) and bank or other financial institution statements, in lieu of maintaining these records as set forth in subsection (b).

(d) The records required under subsections (b) and (c) may be retained and provided to the Commissioner in electronic format provided that:

(1) The electronic records are maintained and provided in a format that allows the Commissioner complete access to all of the books, accounts and records. The electronic records must be provided to the Commissioner in a software format that is acceptable to the Commissioner. The deferred deposit originator shall ensure that the Commissioner and his or her authorized representatives have the ability to download and print any or all of the records that are stored and maintained electronically.

(2) A deferred deposit originator shall provide any and all of the records maintained in electronic format in printed form if the electronic records are not in a format that enables the Commissioner to determine if the licensee deferred deposit originator is complying with the California Deferred Deposit Transaction Law or rules, or upon the request of the Commissioner or his or her authorized representatives.

(3) The electronic records shall be maintained in a media that ensures reliable, credible, accurate and auditable records.

(4) A deferred deposit originator may elect to retain a copy of a customer's check or an image of the customer's check in electronic format as evidence of the check in subsection (c)(1).

(5) If a copy of a customer's check is not retained as provided in paragraph (4) of this subsection, the deferred deposit originator shall maintain the following information that is available from the customer's check:

(A) Maker(s), e.g., the account holder(s);

(B) Amount;

(C) Date;

(D) Check number;

(E) Name of the financial institution;

(F) Account number and routing number; and

(G) Name of the individual signing the check.

(e) A ~~licensed location~~ deferred deposit originator may maintain records older than 90 days at a location other than the licensed location, provided that the records are made available to the Commissioner within 48 hours of a request. Upon request, a licensee deferred deposit originator shall provide the Commissioner with the address of the location of the books, records and accounts maintained at a location other than the licensed location, and, if applicable, the identity of the person with custody of the records.

(f) A licensee deferred deposit originator shall maintain a file of all advertising copy for a period of 90 days from the date of its use.

(g) A deferred deposit originator shall maintain records for two years from the last entry on a deferred deposit transaction record.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23007, 23013, 23024, 23027, 23035, 23036, 23037, 23046 and 23048, Financial Code.

13. Section 2026 is amended to read:

§ 2026. Maintenance of Books and Records.

(a) A deferred deposit originator shall maintain its and use complete books, accounts and records in accordance with generally accepted accounting principles and good business practices.

(b) A deferred deposit originator shall keep and use books, accounts and records to enable the Commissioner or the Commissioner's representatives to determine whether the deferred deposit originator is in compliance with the California Deferred Deposit Transaction Law and these rules.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23024 and 23046, Financial Code.

14. Section 2027 is amended to read:

§ 2027. Records Maintained at Multiple Locations.

A deferred deposit originator shall maintain separate deferred deposit transaction records for each licensed business location in accordance with the provisions of this article, in order to distinguish each licensed business location and operations from other licensed business locations or operations subject to this subchapter. A deferred deposit originator shall maintain separate deferred deposit transaction records from ~~those deferred deposit transaction~~ records maintained by any other business that is transacted at the same office, room, or place of business. Nothing in this section shall be construed to prohibit a deferred deposit originator from maintaining one bank account or one database for all licensed locations, provided that the records of each licensed location can be identified and distinguished.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23024 and 23046, Financial Code.

15. Section 2030.1 is adopted to read:

§2030.1. Criminal and Other Actions: Report to Commissioner.

(a) A deferred deposit originator shall file a written report with the Commissioner within 15 business days following the occurrence of any of the following:

(1) Institution of administrative or regulatory proceedings by any governmental authority against the deferred deposit originator or any of its members, partners, directors, officers, principals, persons owning or controlling 10% or more of the deferred deposit originator, or any other person;

(2) Any civil actions involving the deferred deposit originator, or any of its members, partners, directors, officers, principals, persons owning or controlling 10% or more of the deferred deposit originator, or any other person; and

(3) Any felony indictments or convictions of the deferred deposit originator, or any of its members, partners, directors, officers, principals, persons owing or controlling 10% or more of the deferred deposit originator, or any other person.

(b) The report shall be in writing and describe the event and its anticipated impact on the business of the deferred deposit originator.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23010 and 23011.5, Financial Code.

16. Subchapter 13, Article 4, Section 2030.20 is adopted to read:

Article 4. Deferred Deposit Transactions

§ 2030.20. Prohibition Against Criminal Prosecution.

A deferred deposit originator shall not:

(a) Threaten a customer with criminal prosecution to collect a returned check made in conjunction with a deferred deposit transaction; or

(b) Refer or threaten to refer a customer to law enforcement, including a district attorney, prosecutor or a prosecutor's check diversion program established pursuant to Section 1001.60 of the Penal Code, to collect a returned check made in conjunction with a deferred deposit transaction.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035, Financial Code.

17. Section 2030.21 is adopted to read:

§ 2030.21. Notice.

(a) A deferred deposit originator shall provide the written notice required in subdivision (c) of Section 23035 of the Financial Code to a customer either as a separate document from the written agreement required in subdivision (e) of Section 23035 of the Financial Code, or combined with the written agreement in a single document.

(b) If the written notice and written agreement are combined in a single document, the deferred deposit originator shall place the information required in the notice before the written agreement in the combined form.

(c) If the written notice is provided as a separate document from the written agreement, the deferred deposit originator shall require the customer to sign and date the written notice to acknowledge the customer's receipt of the notice. The deferred deposit originator shall provide a copy of the notice to the customer, and retain the original of the signed and dated notice in its books and records.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035, Financial Code.

18. Section 2030.22 is adopted to read:

§ 2030.22. Addendum to Written Agreement.

(a) A deferred deposit originator shall provide at the time the written agreement is provided to a customer the following additional written information:

(1) The fee for a deferred deposit transaction shall not exceed 15 percent of the face amount of the check;

(2) If the customer is unable to repay the outstanding balance in full on the due date, the customer may request an extension of time and a payment plan for a deferred deposit transaction;

(3) The deferred deposit originator shall not charge any additional fee or charge for an extension of time or a payment plan, for the repayment of an existing transaction;

(4) The deferred deposit originator may attempt to redeposit a customer's personal check only two times after the check is dishonored by the customer's bank;

(5) The deferred deposit originator and third party debt collectors utilized by the deferred deposit originator must comply with federal and state debt collection laws, which prohibit abusive, deceptive or unfair practices to collect debts. If the customer has a complaint about the collection practices of a deferred

deposit originator or debt collector, the customer may contact the Department of Business Oversight for help at telephone number (866) 275-2677, or file a complaint with the Department at www.dbo.ca.gov; and

(6) Banks and payment processors that do business with deferred deposit originators must adhere to federal and state consumer protection and financial services laws. If a customer has a problem obtaining information from his or her bank concerning withdrawals made from his or her bank account by a deferred deposit originator, resolving a request to the bank to stop check payment to a deferred deposit originator, or other similar complaint, the customer may contact the Department of Business Oversight for help, or file a complaint with the Department at the contact information above.

(b) A deferred deposit originator shall have the customer initial or similarly authorize and date the addendum to the written agreement to acknowledge receipt, and the deferred deposit originator shall retain in the file a copy with the customer's acknowledgement of receipt.

(c) A deferred deposit originator may, but is not required to, include the information in subsection (a) in the written agreement required subdivision (e) of Section 23035 of the Financial Code.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035 and 23036, Financial Code.

19. Section 2030.23 is adopted to read:

§ Section 2030.23. Customer's Personal Check.

(a) A deferred deposit originator shall not originate a deferred deposit transaction with a customer unless:

(1) The customer holds a checking account in his or her name as the account owner at a financial institution, including a bank, savings institution or credit union, and the funds in the checking account are owned by the customer; and

(2) The customer provides a personal check drawn upon his or her checking account to a deferred deposit originator for deposit or presentment, and the customer is the maker and signer of the personal check.

(b) For purposes of the California Deferred Deposit Transaction Law, a personal check does not include an electronic fund transfer or other electronic debit or credit to the customer's checking account.

(c) A deferred deposit originator shall not use a customer's account number to prepare, issue or create a check on behalf of the customer.

(d) A deferred deposit originator shall not originate a deferred deposit transaction with a customer unless the customer provides a new personal check to the deferred deposit originator for each transaction.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23001, Financial Code.

20. Section 2030.24 is adopted to read:

§ Section 2030.24. Disbursement of Funds to Customer.

(a) A deferred deposit originator shall offer to provide to the customer the funds from a deferred deposit transaction in the form of cash, and may, at the customer's option, provide the funds to the customer by the deferred deposit originator's business check.

(b) A deferred deposit originator shall not require the customer to accept the funds in the form of the deferred deposit originator's business check.

(c) No fee may be charged by a deferred deposit originator for issuing a business check to the customer.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035, Financial Code.

21. Section 2030.25 is adopted to read:

§ 2030.25. Other Payment Options.

(a) If a customer is unable to repay the outstanding balance in full on the due date, the customer may request an extension of time and a payment plan for an existing deferred deposit transaction.

(b) A deferred deposit originator shall not charge any additional fee or charge for an extension of time or a payment plan, for the repayment of an existing transaction.

(c) A deferred deposit originator is not required upon a customer's request to provide to the customer either a payment plan or an extension agreement.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23035 and 23036, Financial Code.

22. Section 2030.26 is adopted to read:

§ Section 2030.26. Internet Deferred Deposit Transactions.

(a) The provisions of the California Deferred Deposit Transaction Law, Division 10, commencing with Section 23000 of the Financial Code and Chapter 3, Title 10, Subchapter 13 of the California Code of Regulations shall apply to deferred deposit transaction business conducted over the Internet, whether or not the person making the transaction maintains a physical presence in California.

(b) A deferred deposit originator that accepts information or applications for a deferred deposit transaction over the Internet must comply with all of the following:

(1) Before entering into any transaction, a deferred deposit originator shall obtain the customer's agreement to conduct the transaction over the Internet by either:

(A) Requiring the customer to print from the deferred deposit originator's website an agreement to conduct the transaction over the Internet, and to return electronically or by fax to the deferred deposit originator the agreement signed and dated by the customer; or

(B) If the agreement on the deferred deposit originator's website requires the customer to electronically sign and date the agreement, the deferred deposit originator shall electronically provide to the customer a copy of the signed and dated agreement.

(C) The customer's agreement in subparagraphs (A) and (B) of this paragraph shall be maintained in the deferred deposit originator's books and records.

(2) A copy of the California Deferred Deposit Transaction Law license in subdivision (a) of Section 23018, notices in subdivision (d) of Section 23035, and fee schedule in Section 23019 of the Financial Code shall be posted in a conspicuous place on the deferred deposit originator's website.

(3) A deferred deposit originator shall include a link to the license information in Section 2030.60 of these rules on all pages of the deferred deposit originator's website.

(4) A deferred deposit originator shall allow a customer to download and print from the deferred deposit originator's website the fee schedules and notices in subsection (b)(2) of this section; the notice in subdivision (c) of Section 23035 of the Financial Code, if not included as part of the written agreement; information in the addendum to the written agreement in Section 2030.22 of these rules; and the written agreement in subdivision (e) of Section 23035 of the Financial Code.

(5) A deferred deposit originator shall provide to the customer electronically or by fax or postal mail, at the customer's option, and at no charge to the customer, a copy of the fee schedule, notices, addendum to the written agreement and any written agreements at the consummation of the transaction, and shall also provide the same information upon any request by a customer for at least 60 days after the transaction is repaid in full.

(6) Any advertisement on the Internet shall include the license information required in Section 2030.60 of these rules.

(7) A deferred deposit originator shall establish and implement security practices and procedures to ensure that the level of security is sufficient to protect the customer's personal information from unauthorized access, use, or disclosure, and to verify the identity of the customer, in compliance with applicable laws.

(8) A deferred deposit originator shall comply with the requirements in Civil Code Section 1798.82 to notify any California resident of a breach of the security system.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 1798.82, Civil Code; Sections 23001, 23005, 23018, 23019, 23027 and 23035, Financial Code.

23. Subchapter 13, Article 5, Section 2030.40 is adopted to read:

Article 5. Payment of Deferred Deposit Transaction

§ 2030.40. Form of Payment.

(a) A deferred deposit originator shall permit a customer to repay the deferred deposit transaction in cash or by depositing or presenting for payment the customer's personal check that secures the transaction.

(b) A deferred deposit originator shall not obtain any agreement from a customer authorizing the deferred deposit originator or a third party to prepare, issue or create a check or other payment order to be drawn upon the customer's checking account.

(c) A deferred deposit originator shall not, in the event of nonpayment, include a clause or other language in the written agreement authorizing the deferred deposit originator or a third party to collect payment using any other form of payment or payment instrument.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035.

24. Section 2030.41 is adopted to read:

§ 2030.41. Payment of Deferred Deposit Transaction: Specific Date of Deposit.

(a) A deferred deposit originator shall describe in the written agreement required in subdivision (e) of Section 23035 of the Financial Code, the manner by which a customer's check will be deposited (e.g., manually or electronically).

(b) No fee may be charged by the deferred deposit originator for depositing the customer's personal check.

(c) A deferred deposit originator shall establish and implement security procedures to ensure that financial and personal information obtained from a customer concerning the customer's checking account remains confidential.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035, Financial Code.

25. Section 2030.42 is adopted to read:

§ 2030.42. Partial Payment Before Due Date.

(a) A deferred deposit originator shall permit a customer to make a partial payment on a deferred deposit transaction, at any time before the due date of the transaction, without charge.

(b) A deferred deposit originator shall give the customer a signed and dated receipt for each partial payment made, which shall state the remaining balance due on the transaction.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23035, Financial Code.

26. Section 2030.43 is adopted to read:

§ 2030.43. Dishonored Check.

(a) A deferred deposit originator may manually redeposit a customer's check only two times for full payment after being dishonored by a financial institution, at any time after the due date of the deferred deposit transaction.

(b) A deferred deposit originator shall adopt other policies for the redeposit of a customer's check after the initial deposit is dishonored by a financial institution that are consistent with the policies established by financial institutions.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section, 23035 of the Financial Code.

27. Section 2030.44 is adopted to read:

§ 2030.44. Non Sufficient Funds Fee.

(a) A deferred deposit originator may charge a single one-time fee of up to fifteen dollars (\$15) pursuant to subdivision (e) of Section 23036 of the Financial Code, for the return of a dishonored check by a financial institution. Only one fee may be collected even if the check has been redeposited and returned more than once.

(b) The fee may be charged pursuant to a payment plan, provided that the fee was not already charged in conjunction with the original deferred deposit transaction.

(c) A deferred deposit originator is prohibited from charging the fee unless the customer's personal check, whether manually or electronically deposited, is in fact dishonored by the financial institution.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23036, Financial Code.

28. Section 2030.45 is adopted to read:

§ 2030.45. Completed Transaction.

(a) A transaction is completed when a deferred deposit originator presents the personal check for payment and the deferred deposit originator receives notice from the financial institution that the check has cleared, or the customer redeems the check by paying in cash the amount of the transaction due to the deferred deposit originator.

(b) For purposes of the prohibition in subdivision (c) of Financial Code section 23036 against a deferred deposit originator entering into a deferred deposit transaction at the same time an earlier deferred deposit transaction is in effect with the same customer, a transaction is in effect when the customer's payment of the earlier transaction did not clear and the transaction remains an outstanding debt owed to the deferred deposit originator.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23036, Financial Code.

29. Section 2030.46 is adopted to read:

§ Section 2030.46. Collection of Defaulted Transaction.

(a) A deferred deposit originator shall collect a defaulted transaction in compliance with the requirements and prohibitions set forth in the federal Fair Debt Collection Practices Act pursuant to 15 U.S.C. 1692 et seq., and the Rosenthal Fair Debt Collection Practices Act pursuant to California Civil Code section 1788 et seq.

(b) A default means the failure of customer to make the scheduled payment on the transaction on or before the due date for payment.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 1788, Civil Code; and Section 1692, Title 15, United States Code.

30. Section 2030.47 is adopted to read:

§ Section 2030.47. Sale, Transfer, or Assignment of Debt to Third Party.

(a) No deferred deposit originator shall enter into an agreement to sell, transfer or assign a debt to a third party unless the third party agrees that collection of the debt is limited to the principal of the transaction.

(b) The written agreement with the third party shall disclose the following:

(1) The third party is prohibited from collecting any fees or charges from the customer;

(2) Any debt or checks held, assigned or otherwise transferred in connection with a deferred deposit transaction made pursuant to Section 23035 of the Financial Code are not subject to the provisions of Section 1719 of the Civil Code;

(3) No customer shall be required to pay treble damages if the check or checks are dishonored; and

(4) A collection report shall be provided each month to the licensee by the third party showing the amounts collected for each deferred deposit transaction.

(c) For purposes of examination, the deferred deposit originator shall maintain at its licensed location the original or exact copy of the deferred deposit transaction agreement; disclosure statements and notices; payment record; any records identifying the deferred deposit transaction, including evidence of the check; monthly collection reports; and a copy of the written agreement with the third party, including the date of sale, transfer or assignment and the name, address and contact information of the third party.

(d) Any fees or charges made or added to a customer by a third party in the collection of a debt shall be a violation attributed to the deferred deposit originator of the prohibition against unauthorized fees under subdivision (f) of Financial Code section 23036.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23035 and 23036, Financial Code.

31. Section 2030.48 is adopted to read:

§ 2030.48. Payment Plan After Customer's Default.

(a) A deferred deposit originator may offer a payment plan to a customer at any time before or after the date the transaction is due to be repaid. A payment plan entered into by a deferred deposit originator and a customer in subdivision (b) of Section 23036 of the Financial Code shall specify the payment dates and the amount of each payment, and shall be in writing and signed or electronically authorized by the customer, or a facsimile copy with the customer's signature.

(b) The payment plan shall be maintained in the deferred deposit originator's books and records, and a copy of the signed plan shall be provided to the customer.

(c) A payment plan is defined as an agreement between a customer and a deferred deposit originator for the repayment of an existing deferred deposit transaction in one or more installments, entered into after a

customer fails to repay the transaction as agreed, where the final payment occurs after the due date of the original transaction.

(d) Nothing in these rules prohibit a deferred deposit originator from accepting payments from a customer after the due date of a transaction in the event the written payment plan is not signed by the customer.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23035 and 23036, Financial Code.

32. Section 2030.49 is adopted to read:

§ 2030.49. Extension of Transaction Due Date.

(a) A deferred deposit originator may extend the term of the transaction beyond the due date. If the term of the transaction is extended five days or less beyond the due date, the deferred deposit originator shall informally document information on the extension in the customer's file, including the date and manner in which the customer requested an extension and the new payment due date for the transaction.

(b) A written agreement signed or electronically authorized by the customer, or a fax copy with the customer's signature, is required to extend the payment date of an existing deferred deposit transaction beyond five days.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23035 and 23036, Financial Code.

33. Section 2030.50 is adopted to read:

§ 2030.50. Setoff of Amounts Owed Prohibited.

For purposes of the California Deferred Deposit Transaction Law, a deferred deposit originator is prohibited from applying any amount owed on a deferred deposit transaction against a customer's paycheck,

social security check, disability check or other check, or against any other transaction, service or product offered by the deferred deposit originator.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23037.

34. Section 2030.51 is adopted to read:

§2030.51. Limit on Recovery of Costs After Judgment.

(a) Nothing in these rules prohibit a deferred deposit originator, after obtaining a judgment against the customer, from recovering court filing fees and costs of service of process, if awarded by the court and incurred as a result of the customer's default on the transaction.

(b) A deferred deposit originator shall retain in the file documentation of the recovered court-awarded costs for purposes of examination.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23035 and 23036, Financial Code.

35. Subchapter 13, Article 6, Section 2030.60 is adopted to read:

Article 6. Advertising

§ 2030.60. License Information in Advertising.

Any advertisement in connection with a deferred deposit transaction in Section 23027 of the Financial Code shall state that the deferred deposit originator is licensed by the Department of Business Oversight pursuant to the California Deferred Deposit Transaction Law.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23027, Financial Code.

36. Section 2030.61 is adopted to read:

§ 2030.61. Loan Disclosures Made in Advertising.

Any disclosures made in advertisement concerning a deferred deposit transaction shall be in the same language as the advertisement.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Section 23027, Financial Code.

37. Section 2030.62 is adopted to read:

§ 2030.62. Applicability of Advertising Standards to Internet.

The advertising standards, record retention requirements, and prohibition against false, misleading or deceptive information or advertisement in Section 23027 of the Financial Code shall apply to advertising on the Internet.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23027 and 23037, Financial Code.

38. Subchapter 13, Article 7, Section 2030.80 is adopted to read:

Article 7. Penalties

§ 2030.80. Administrative and Civil Penalties.

The Commissioner may impose an administrative or civil penalty for each violation of the California Deferred Deposit Transaction Law, rule, or order. In assessing the amount of the administrative or civil penalty, the Commissioner may consider any one or more relevant circumstances, including, but not limited to, the following: the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the deferred deposit originator's misconduct, and the deferred deposit originator's assets, liabilities, and net worth.

NOTE: Authority cited: Section 23015, Financial Code. Reference: Sections 23051 and 23058, Financial Code.

39. Subchapter 13, Article 8, Section 2030.90 is adopted to read:

Article 4. Common Database

§ 2030.90. Definitions.

The following definitions shall be applicable to this article:

(a) “Database” shall mean a common database that permits a deferred deposit originator to enter deferred deposit transactions in real-time through the Internet, established and administered by the Commissioner, through an agreement with a third-party provider or otherwise.

(b) “Provider” or “database provider” shall mean a third-party vender that has entered into an agreement with the Commissioner to administer a database. If no third-party vender has entered into an agreement with the Commissioner, “provider” or “database provider” shall mean the Department of Business Oversight.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

40. Adopt Section 2030.91 to read:

§ 2030.91. Establishment of Common Database.

(a) The Commissioner may directly administer, or contract with a provider to operate and maintain a website and common database on behalf of the Department, in which each deferred deposit transaction shall be recorded for the purpose of preventing violations of the California Deferred Deposit Transaction Law.

(b) The database shall permit real-time access to deferred deposit transactions through an Internet connection.

(c) The annual assessment of licensees shall include the cost to administer the database.

(d) Data shall be retained in the database only as necessary to ensure the deferred deposit originator's compliance with the California Deferred Deposit Transaction Law.

(1) The contract between the Commissioner and the provider shall provide retention terms that:

(A) Archive data after 365 days;

(B) Provide the Commissioner continuous access to archived data;

(C) Provide for the permanent destruction of archived data, including any identifying customer data, after 48 months, unless the Commissioner provides written instruction for a longer retention period;

(D) Ensure the confidentiality of archived data; and

(E) Allow the indefinite retention of archived data or a segment of archived data necessary for the Commissioner to administer and enforce the California Deferred Deposit Transaction Law.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

41. Adopt Section 2030.92 to read:

§ 2030.92. Implementation of Database by Deferred Deposit Originator.

(a) A deferred deposit originator shall maintain a computer with access to the Internet at every location where the deferred deposit originator enters into deferred deposit transactions with customers.

(b) The computer shall have sufficient software and Internet connectivity to allow the deferred deposit originator to interface with the database in real time as the deferred deposit originator enters into a deferred deposit transaction with a customer.

(c) A deferred deposit originator shall cooperate with the database provider to ensure that the deferred deposit originator has the equipment, knowledge, and instruction necessary to allow the deferred deposit originator to begin making deferred deposit transactions through the database no later than 90 days after the operative date of this rule.

(d) A deferred deposit originator shall maintain generally accepted security safeguards to maintain the confidentiality and security of information transmitted to the database, including but not limited to:

(1) A deferred deposit originator shall install, maintain and regularly update malware protection, antivirus and antispyware software, and a firewall; and

(2) A deferred deposit originator shall not transmit information to the database using publicly accessible computers, computers that are not under the deferred deposit originator's control, unsecured wireless connections, Wi-Fi connections, or other connections that are not secure.

(e) A deferred deposit originator shall cooperate with the database provider to resolve consumer complaints or disputes involving the information maintained in the database.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

42. Adopt Section 2030.93 to read:

§ 2030.93. Procedures Prior to Entering into a Deferred Deposit Transaction.

(a) Before entering into a deferred deposit transaction, a deferred deposit originator shall conduct a search on the database to ensure that the database does not indicate that a customer has an outstanding deferred deposit transaction. For purposes of this section, an outstanding deferred deposit transaction is any transaction where the database does not indicate that the transaction has been paid in full.

(b) In conducting the search required by this section, the deferred deposit originator shall base the search on the consumer's date of birth and one of the following: social security number; alien registration number; or individual tax identification number.

(c) If the database indicates that an applicant is eligible for a deferred deposit transaction, the deferred deposit originator shall record a transaction identification number, generated by the database, on the applicant's deferred deposit transaction agreement before entering into the deferred deposit transaction.

(d) If the database indicates that an applicant is ineligible for a deferred deposit transaction, the deferred deposit originator shall do all of the following:

(1) Inform the applicant of the applicant's ineligibility;

(2) Provide the applicant with the reason for the ineligibility determination provided by the database;

(3) Instruct the applicant to contact the database provider if the applicant seeks more specific information regarding the reason for ineligibility; and

(4) Provide the applicant with the telephone number of the database provider.

(e) If the database is not accessible, the deferred deposit originator shall follow the procedures provided by the database provider.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

43. Adopt Section 2030.94 to read:

§ 2030.94. Procedures for a Deferred Deposit Transaction.

(a) A deferred deposit originator shall enter into a deferred deposit transaction with an eligible applicant by submitting all of the required information regarding a customer and the transaction that is necessary for the database to record the transaction.

(b) The information submitted to the database shall include, at a minimum the following:

(1) Identifying information regarding the applicant, including the applicant's date of birth and one of the following: the applicant's social security number, alien registration number, or individual tax identification number; and

(2) Identifying information regarding the terms of the deferred deposit transaction, including the amount of the check, the amount of money received by the customer, the date of the transaction, the date the customer's check will be withdrawn from the customer's account, and fees associated with the deferred deposit transaction.

(c) Upon submission of the required information, the deferred deposit originator shall include the transaction authorization number provided by the database on the deferred deposit transaction agreement maintained in the deferred deposit originator's books and records, and provide a copy of the agreement to the customer. The deferred deposit originator shall provide the transaction authorization number to the customer upon request.

(d) When the deferred deposit originator receives funds from the customer to repay the transaction in full or in part, whether through the receipt of cash or the deposit of a paper check, the deferred deposit originator shall immediately record in the database the following:

- (1) the receipt of funds;
- (2) the method the transaction was repaid; and
- (3) Every unsuccessful attempt to recover funds from a customer's account.

(e) The deferred deposit originator shall also immediately record in the database any event related to the deferred deposit transaction that occurs after the deferred deposit originator enters into the transaction, including but not limited to the following:

- (1) The imposition of a returned check fee;
- (2) The occurrence of a payment default;
- (3) The granting of a due date extension;
- (4) Entering into a repayment plan;
- (5) The charge off of a debt;
- (6) Entering into a settlement;
- (7) The referral or sale of a deferred deposit transaction to a third party for collection; and
- (8) Bringing a court action, including but not limited to a small claims court action, and the terms of any judgment obtained, including costs and attorney's fees.

(f) The record of the event in subsection (e) shall include the date of the event, and as applicable, the costs, fees, and changes in the terms of the deferred deposit transaction concerning the event.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections

23024, 23035, 23036, 23037, and 23046, Financial Code.

44. Adopt Section 2030.95 to read:

§ 2030.95. Unavailability of Database.

(a) If at the time a deferred deposit originator receives a deferred deposit transaction application, the deferred deposit originator is unable to access the database via the Internet due to technical difficulties occurring with the database, the deferred deposit originator shall use the database provider's alternate process to proceed with the transaction.

(b) If a deferred deposit originator enters into a deferred deposit transaction based on applicant eligibility information obtained from the database provider's alternate process, the deferred deposit originator shall transmit to the database any remaining required information no later than 11:59 p.m. on the next business day following the date the database becomes accessible to the deferred deposit originator via the Internet.

(c) If a deferred deposit originator is required to transmit to the database information regarding a deferred deposit transaction that has already been made and the deferred deposit originator is unable to access the database via the Internet due to technical difficulties occurring with the database, the deferred deposit originator shall transmit to the database the required information no later than 11:59 p.m. on the next business day following the date that the database becomes accessible to the deferred deposit originator via the Internet.

(d) Any time a deferred deposit originator is unable to access the database via the Internet due to technical difficulties occurring with the database, the deferred deposit originator shall document in its records the technical problems it experienced and the date and time that it sought to access the database.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036,

23037, and 23046, Financial Code.

45. Adopt Section 2030.96 to read:

§ 2030.96. Change in Information.

A deferred deposit originator shall promptly correct any incorrect data entered into the database that was previously submitted. If a deferred deposit originator becomes aware of a change of information relating to an open transaction, the deferred deposit originator shall immediately update the transaction on the database to ensure that all identifying information regarding both the customer and the transaction are accurate.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

46. Section 2030.97 is adopted to read:

§ 2030.97. Confidentiality of Information.

(a) The information contained in the database is confidential and not subject to public inspection. A deferred deposit originator may not disclose the information except as otherwise provided by law.

(b) Notwithstanding subsection (a), the Commissioner may publicly release aggregate data maintained in the database upon a finding that the release of the information is in the public interest. This subsection does not authorize the Commissioner to release the personal information of any customer, including the identity of a customer.

(c) Nothing in this section is intended to restrict or prohibit the Commissioner's authority to use the records maintained in the database to administer and enforce the California Deferred Deposit Transaction Law.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.

47. Section 2030.98 is adopted to read:

§ 2030.98. Complete and Accurate Data.

A deferred deposit originator shall only enter information into the database that is complete and accurate.

Note: Authority cited: Section 23015, Financial Code. Reference: Sections 23024, 23035, 23036, 23037, and 23046, Financial Code.