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**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Mypaydayanyday.com
P.O. Box 821650
Vancouver, WA 98682

Mark McCormack
Jared Heaton
357 South 670, Suite 170
Lindon, Utah 84042

DESIST AND REFRAIN ORDER

(For violations of California Financial Code sections 23005, 23035, 23036 and 23037)

The California Corporations Commissioner (“Commissioner”) finds that:

1. Mypaydayanyday.com, its co-founders Mark McCormack and Jared Heaton and their affiliates (hereinafter “payday lenders”) advertised their payday loans to California consumers via their website.

2. The Commissioner of the Department of Corporations (“Department”) is responsible for enforcing the California Deferred Deposit Transaction Law (“CDDTL”) found in California Financial Code section 23000 *et seq.* The Commissioner has not issued a license to the above-described payday lenders to engage in the business of deferred deposit transactions pursuant to California Financial Code section 23005 and they are not exempt from the licensing requirement of the CDDTL.

3. Since at least 2009, the foregoing payday lenders have engaged in the business of deferred deposit transactions by offering, originating and making deferred deposit transactions as described below.

4. A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date. These loans are sometimes referred to as “payday advances” or “payday loans.”

1 5. The above payday lenders offer California consumers payday loans but fail to provide
2 to California borrowers the disclosures and written documents required by California law.

3 6. The payday lenders arrange for an electronic deposit of funds to the consumer’s
4 respective bank account and have access to a consumer’s account to withdraw funds to repay the
5 loan on the due date of the deferred deposit transaction.

6 7. When the due date on the deferred deposit transaction arrives, these payday
7 lenders electronically withdraw funds from the consumer’s bank account. If a consumer borrows
8 \$300 for 14 days he is required to pay a finance charge of \$90.00. The Annual Percentage Rates
9 (“APR”) for most loans are between 700 and 800%. The above-described payday lenders
10 automatically renew the loan every 14 days and the borrower accrues a new fee every time his or
11 her loan is renewed, resulting in successive withdrawals of \$90.00 every 14 days from a
12 borrower’s bank account, thereby withdrawing several times the amount of the original loan as
13 “finance charges”. Since the finance charges and renewal charges are not applied to the principal
14 amount on the loan, a borrower is not regarded as having repaid the principal despite the amount
15 of funds repeatedly withdrawn. As a consequence, some borrowers find it necessary to close his
16 or her bank account to prevent repeated automatic withdrawals. If a borrower objects to
17 additional withdrawals or actually closes his or her bank account, these payday lenders demand
18 further funds, charge a \$25.00 fee for each item returned unpaid, threaten legal action and
19 attempt to garnish wages. These payday lenders when dealing with California borrowers violate
20 numerous provisions of California law that require them to: (1) provide adequate and timely
21 disclosures; (2) adhere to limits on the types and amounts of fees they charge; and, (3) refrain
22 from statutory prohibited actions.

23 By reason of the foregoing, Mypaydayanyday.com, Mark McCormack, Jared Heaton and
24 their affiliates have engaged in the business of deferred deposit transactions without having first
25 obtained a license from the Commissioner and have engaged in deferred deposit transactions in
26 violation of California Financial Code sections 23005, 23035, 23036 and 23037.

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California Financial Code section 23050 states:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Pursuant to Financial Code section 23050, Mypaydayanyday.com, Mark McCormack, Jared Heaton and their affiliates are hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California without licensure or exemption in violation of California Financial Code section 23005 and from violations of California Financial Code sections 23035, 23036 and 23037. This Order is necessary for the protection of consumers and consistent with the purposes, policies and provisions of the CDDTL.

This Order shall remain in full force and effect until further order of the Commissioner.

Dated: February 16, 2010
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division