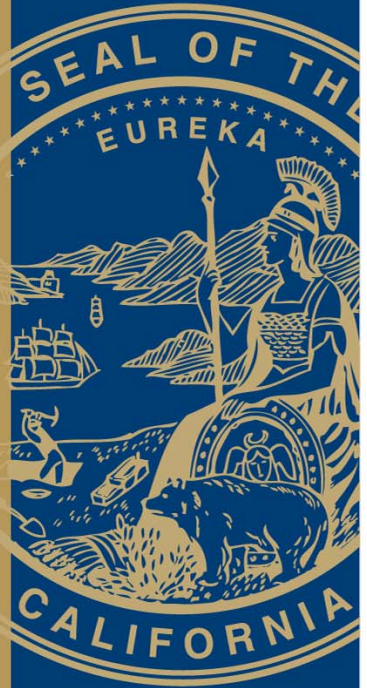


# 2009 Annual Report

Operation of Deferred  
Deposit Originators  
under the California  
Deferred Deposit  
Transaction Law

State of California  
Business, Transportation  
and Housing Agency

Department of  
Corporations



STATE OF CALIFORNIA  
ARNOLD SCHWARZENEGGER, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

Preston DuFauchard  
California Corporations Commissioner

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This Report includes data submitted by deferred deposit originators licensed under the California Deferred Deposit Transaction Law.

This Report is based on unaudited data presented by licensees and submitted in a format prescribed by the Department of Corporations and licensing statistics. The reader should be aware that the data contained herein is primarily statistical in nature. Certain statistical data compilations required of licensees have been modified to provide more meaningful statistics. To assist in comparing data from prior years, certain statistical data is included in the charts on pages 7 through 13. Comparison of such data with prior years will be left to the reader.

<b>AS OF</b>	<b>NUMBER OF LICENSEES</b>
DECEMBER 31, 2009	2,187
DECEMBER 31, 2008	2,385
DECEMBER 31, 2007	2,403
DECEMBER 31, 2006	2,493
DECEMBER 31, 2005	2,445
DECEMBER 31, 2004	2,100

**California Deferred Deposit Transaction Law Consolidated Annual  
Reports:  
Calendar Years 2005, 2006, 2007, 2008 and 2009**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Dollar Amount of Deferred Deposit Transactions Made	\$2,479,725,858	\$2,553,427,572	\$2,969,905,917	\$3,092,592,282	\$3,088,358,316
Total Number of Deferred Deposit Transactions Made	9,785,004	10,048,422	11,152,466	11,841,014	11,784,798
Total Number of Individual Customers Who Obtained Deferred Deposit Transactions (repeat customers counted once)	1,536,600	1,432,844	1,609,680	1,665,019	1,567,188

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Average Dollar Amount of Deferred Deposit Transactions Made	\$253	\$254	\$266	\$261	\$262
Minimum Dollar Amount of Deferred Deposit Transactions Made	\$9	\$10	\$10	\$6	\$8
Maximum Dollar Amount of Deferred Deposit Transactions Made	\$1,000*	\$300	\$300	\$300	\$300
Average Annual Percentage Rate (APR)	426%	429%	424%	416%	414%
Average Number of Days of Deferred Deposit Transactions	17	16	16	17	17

\* In 2005, 3% of the companies reported a maximum loan amount over \$300 (the maximum allowed under the California Deferred Deposit Transaction Law). The Department of Corporations followed up with those companies that reported making loans greater than \$300 to determine the reasons for the amounts in excess of the limitation.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Number of Returned Checks from Deferred Deposit Transactions	689,540	751,117	823,594	816,605	677,616
Percentage of Total Number of Returned Checks to Total Number of Deferred Deposit Transactions Made	7.05%	7.47%	7.38%	6.90%	5.75%
Total Dollar Amount of Returned Checks from Deferred Deposit Transactions	\$180,993,630	\$186,031,613	\$213,050,882	\$214,887,020	\$178,369,234
Percentage of Total Dollar Amount of Returned Checks to Total Dollar Amount of Deferred Deposit Transactions Made	7.30%	7.29%	7.17%	6.95%	5.78%

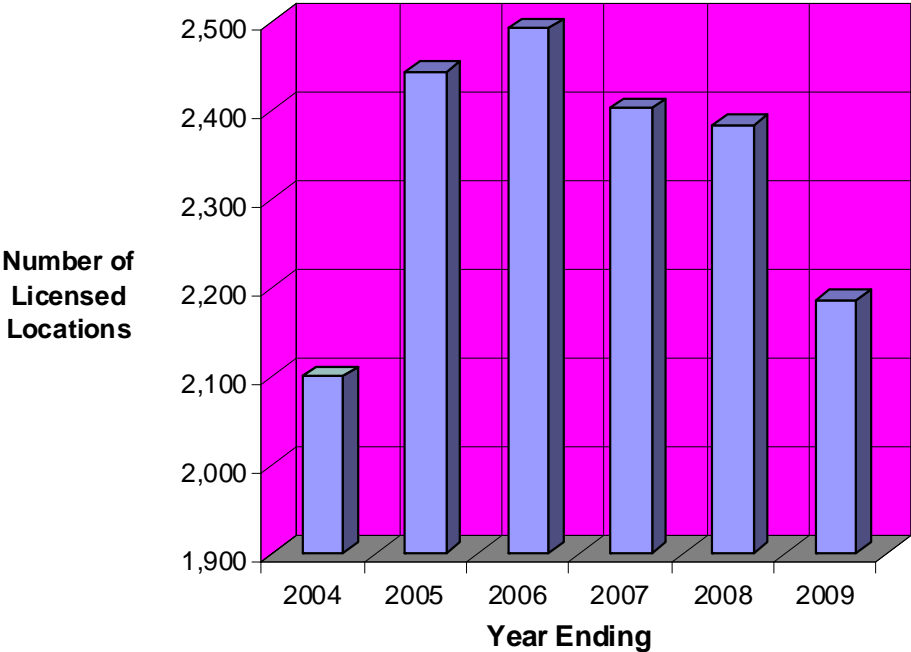
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Number of Returned Checks from Deferred Deposit Transactions Recovered (includes partial recoveries)	493,780	520,756	492,405	522,157	432,284
Percentage of Total Number of Returned Checks from Deferred Deposit Transactions Recovered (includes partial recoveries) to Total Number of Deferred Deposit Transactions Made	5.05%	5.18%	4.42%	4.41%	3.67%
Total Dollar Amount of Returned Checks Recovered (includes partial recoveries)	\$107,640,408	\$106,441,869	\$115,002,061	\$120,316,378	\$98,998,954
Percentage of Total Dollar Amount of Returned Checks Recovered (including partial recoveries) to Total Dollar Amount of Deferred Deposit Transactions Made	4.34%	4.17%	3.87%	3.89%	3.21%

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
Total Number of Checks Charged Off (includes partial balances charged off)	336,498	307,697	355,804	321,555	280,233
Percentage of Total Number of Checks Charged Off (including partial balances) to Total Number of Deferred Deposit Transactions Made	3.44%	3.06%	3.19%	2.72%	2.38%
Total Dollar Amount of Deferred Deposit Transactions Charged Off (includes partial balances charged off)	\$65,216,098	\$74,825,909	\$85,683,626	\$81,783,721	\$72,023,747
Percentage of Total Dollar Amount of Checks Charged Off (including partial balances charged off) to Total Dollar Amount of Deferred Deposit Transactions Made	2.63%	2.93%	2.89%	2.64%	2.33%



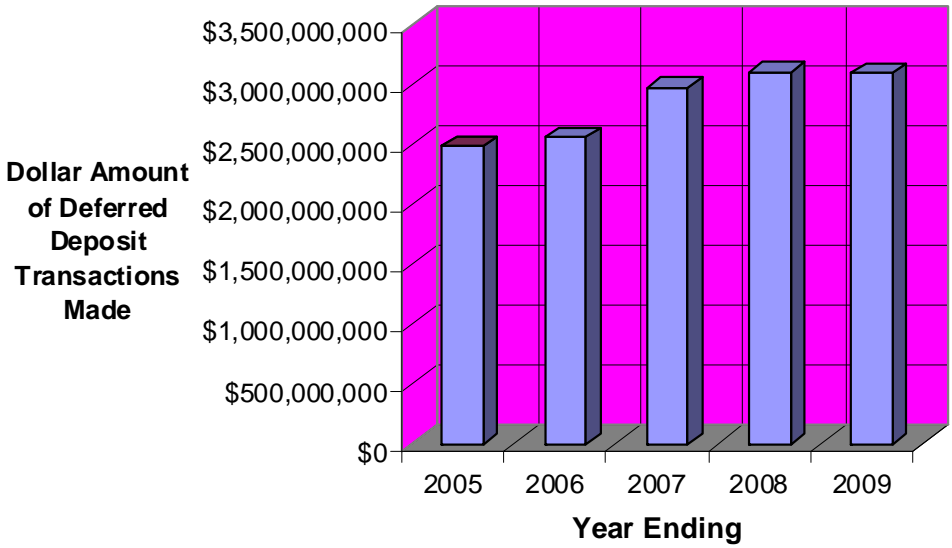
# Change in Number of Licensed Locations

## Chart 1



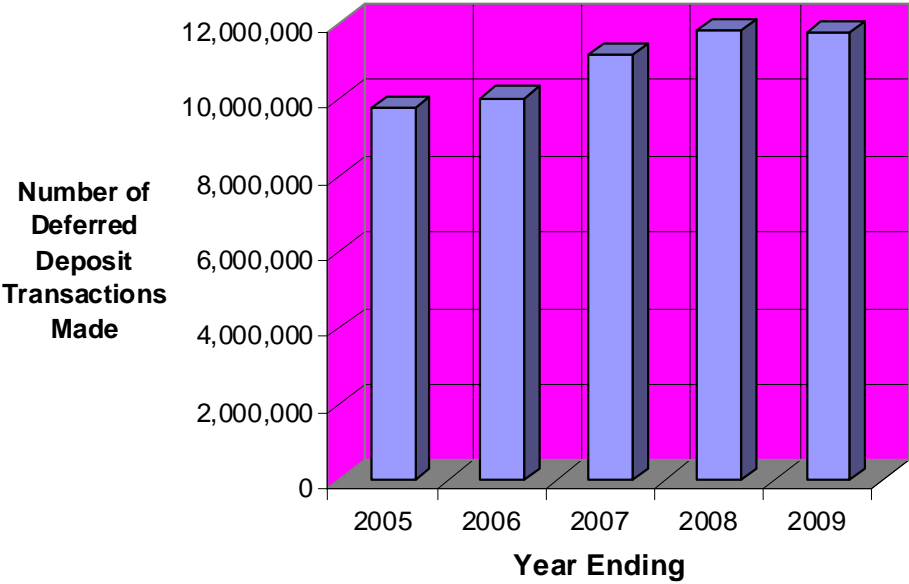
## Change in Dollar Amount of Deferred Deposits Made

Chart 2



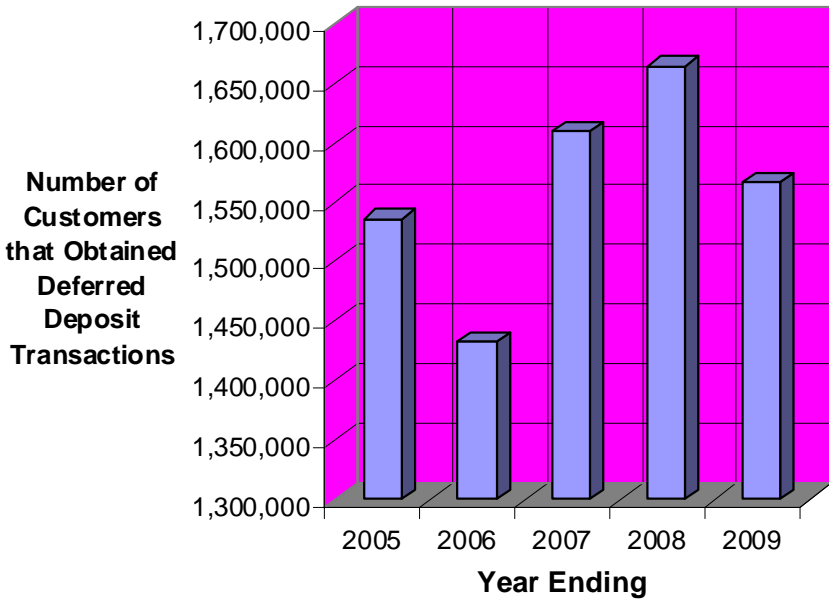
# Change in Number of Deferred Deposits Made

## Chart 3



## Change in Number of Customers that Obtained Deferred Deposit Transactions

Chart 4



# Change in Dollar Amount of Returned Checks

## Chart 5



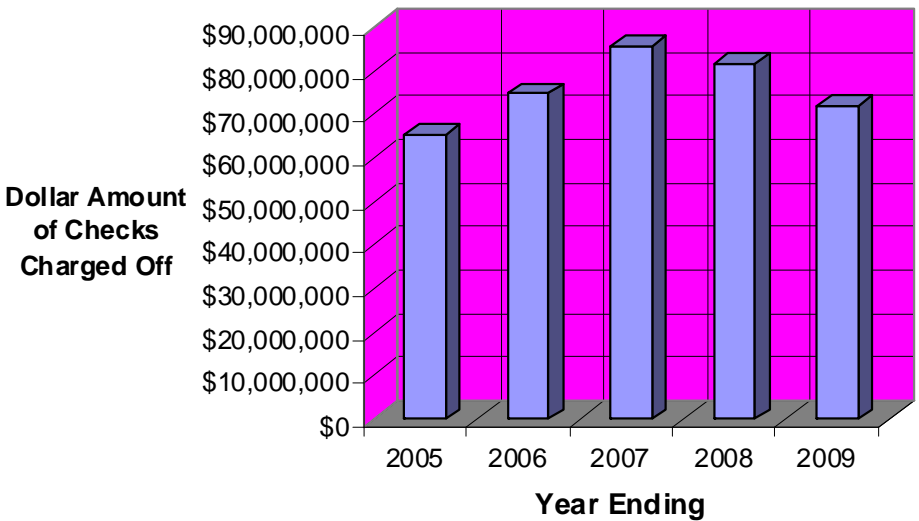
## Change in Dollar Amount of Returned Checks Recovered

Chart 6



## Change in Total Dollar Amount of Checks Charged Off

Chart 7



The information below reflects the licensing activity for the calendar years 2005, 2006, 2007, 2008 and 2009. The long form application refers to the first license a person applies for under the California Deferred Deposit Transaction Law and the short form application refers to a license for an additional business location. Applications are subject to abandonment if a deficiency is not corrected within 90 days of notification. Applications are withdrawn at the request of the applicant. To assist in comparing the licensing data from prior years, the total license applications filed, total number of licenses surrendered and total number of licenses issued are included in the charts on pages 17 through 19.

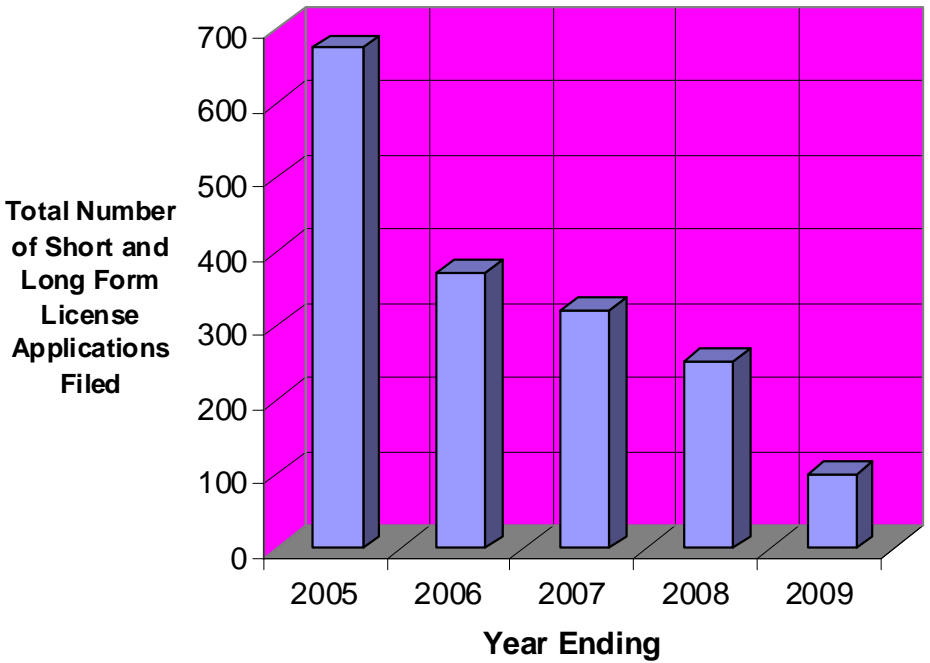
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Long Form Applications Filed	153	116	69	56	53
Short Form Applications Filed	521	256	251	197	47
<b>Total Applications Filed</b>	<b>674</b>	<b>372</b>	<b>320</b>	<b>253</b>	<b>100</b>
Long Form Applications Denied	4	2	0	0	0
Short Form Applications Denied	4	0	2	3	1
<b>Total Applications Denied</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>



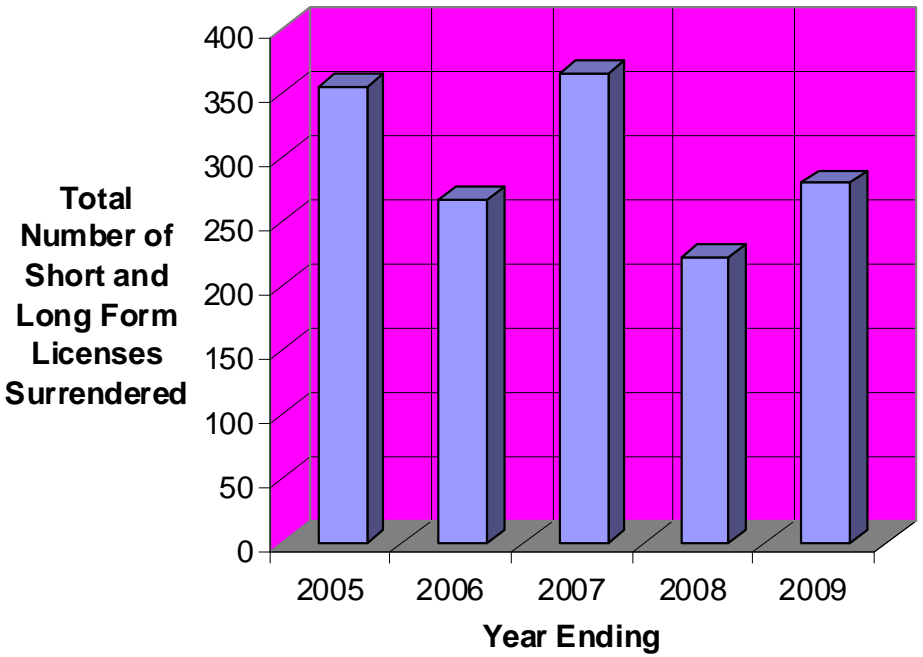
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Long Form Applications Abandoned	28	8	8	3	3
Short Form Applications Abandoned	3	1	0	20	0
<b>Total Applications Abandoned</b>	<b>31</b>	<b>9</b>	<b>8</b>	<b>23</b>	<b>3</b>
Long Form Applications Withdrawn	52	3	1	6	3
Short Form Applications Withdrawn	71	4	15	10	1
<b>Total Applications Withdrawn</b>	<b>123</b>	<b>7</b>	<b>16</b>	<b>16</b>	<b>4</b>
Long Form Licenses Surrendered	58	79	93	68	64
Short Form Licenses Surrendered	297	188	272	154	216
<b>Total Licenses Surrendered</b>	<b>355</b>	<b>267</b>	<b>365</b>	<b>222</b>	<b>280</b>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Long Form Licenses Revoked	0	14	26	12	19
Short Form Licenses Revoked	0	8	6	6	6
<b>Total Licenses Revoked</b>	<b>0</b>	<b>22</b>	<b>32</b>	<b>18</b>	<b>25</b>
Long Form Licenses Issued	148	96	72	56	50
Short Form Licenses Issued	552	241	236	165	57
<b>Total Licenses Issued</b>	<b>700</b>	<b>347</b>	<b>308</b>	<b>221</b>	<b>107</b>

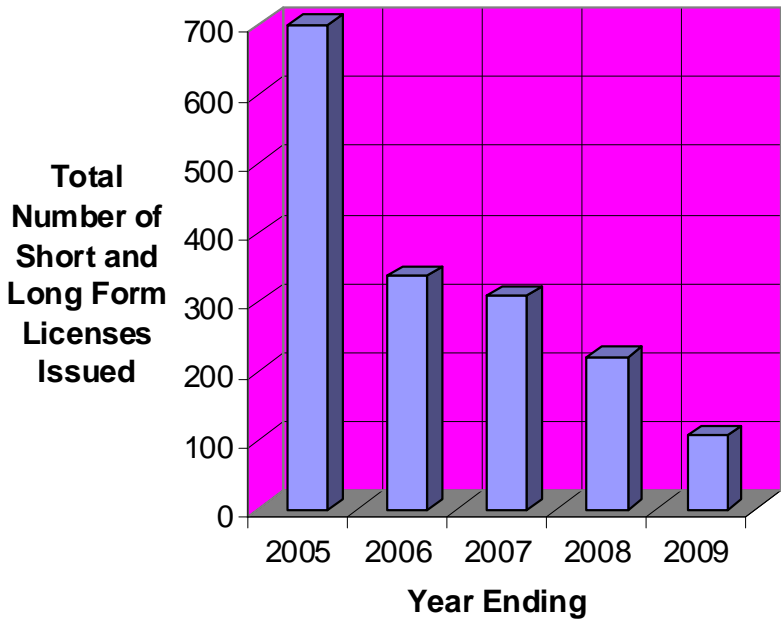
**Chart 8**  
**Number of License Applications Filed**



**Chart 9**  
**Number of Licenses Surrendered**



**Chart 10**  
**Number of Licenses Issued**





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Materials presented in this report are a collective effort of  
the staff of the California Department of Corporations.