

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: Fast Auto Loans, Inc., doing business as Fast Auto and Payday Loans
5 1800 23rd Street, Suite A
6 Bakersfield, California 93301

7 **DESIST AND REFRAIN ORDER**
8 **(For violations of California Code of Regulations, Title 10, Sections 1451 and 1557)**

9 The Commissioner of Business Oversight (Commissioner) finds that:

10 1. Fast Auto Loans, Inc., doing business as Fast Auto and Payday Loans (Fast Auto) is a
11 finance lender and broker licensed by the Commissioner pursuant to the California Financing Law¹,
12 Financial Code section 22000 *et seq.* (CFL).

13 2. Fast Auto’s main office is 1800 23rd Street, Suite A, Bakersfield, California 93301.

14 3. The Commissioner, on September 22, 2016, made a formal demand on Fast Auto
15 (2016 Demand) to produce, among other documents, all agreements, invoices and payments related
16 to referrals or leads to determine the full extent of unlicensed persons or companies that Fast Auto
17 paid for loan referrals. Fast Auto produced documents to the Commissioner in response to the 2016
18 Demand, including agreements.

19 4. A review of the agreements produced by Fast Auto in response to the 2016 Demand
20 revealed that between 2014-2016, Fast Auto compensated unlicensed persons or companies who were
21 not employees regularly employed at Fast Auto’s licensed place of business for soliciting or
22 accepting applications for small business loans, through contract arrangements, including but not
23 limited to following:

24 a. Fast Auto, through its affiliate, entered into an agreement with an unlicensed
25 company not regularly employed at Fast Auto’s licensed place of business, whereby the unlicensed

26 ¹ “Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem.
27 Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Finance Lenders Law means
28 the California Finance Lenders Law before October 4, 2017 and the California Financing Law on and after that date. (Cal. Fin. Code, §
22000.)”

1 company agreed to sell consumer data to Fast Auto that it collects through, “its proprietary web sites
2 and other sources, including but not limited to its affiliate web sites and other advertising methods.”
3 The unlicensed company is compensated by Fast Auto for each “Valid Lead,” which means data that
4 contains an individual’s, “name, telephone number, email address, physical address, social security
5 number” and that is not generated by a computer and meets all of Fast Auto’s criteria for an
6 acceptable lead.

7 5. Additionally, Fast Auto advertised their business through the website,
8 www.connect.cash. A customer would input their information through the website, including: their
9 desired loan amount; social security number; driver license; date of birth; and employment
10 information. The customer would then subsequently be contacted by a loan representative that
11 worked for Fast Auto and would also be based out of an office location which is a licensed office
12 location of a Fast Auto branch.

13 6. Furthermore, clicking on the “Locations” link on the www.connect.cash website
14 would also bring up a webpage listing cities in California. Upon clicking on a city, the customer
15 would be provided with links containing the name and address of lenders. The name of the lenders
16 include: “Ontario Title Loans”; “Hesperia Title Loans”; “Riverside Title Loans”; and “Oxnard Title
17 Loans.” However, each of the lenders’ address matched with licensed branches of Fast Auto, despite
18 the lenders not identifying themselves as having any affiliation with Fast Auto and there being no
19 mention of Fast Auto anywhere on the www.connect.cash website.

20 7. Fast Auto’s use of the www.connect.cash website to advertise loans and solicit
21 customers without stating on the website that Fast Auto is the lender or that Fast Auto has any
22 affiliation with www.connect.cash, is in violation of California Code of Regulations, title 10, section
23 1557.

24 8. The Commissioner is authorized to pursue administrative actions and remedies against
25 persons and licensees who engage in violations of the CFL.

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1 9. California Code of Regulations, title 10, section 1451, subsection (c) provides, in
2 pertinent part:

3 No finance company shall pay any compensation to an unlicensed person
4 or company for soliciting or accepting applications for loans, except for
5 an employee regularly employed at a licensed place of business of the
6 finance company

7 10. California Code of Regulations, title 10, section 1557 provides, in
8 pertinent part:

9 A licensee shall not use “blind” advertisements. “Blind” advertising is an
10 advertisement used to solicit business that gives only a telephone number,
11 post office or newspaper box number, or name other than that of the
12 licensee.

13 11. Financial Code section 22712, subdivision (a) provides, in pertinent part:

14 Whenever, in the opinion of the commissioner, . . . any licensee violates
15 any provision of this division, any provision of an order, or any regulation
16 adopted pursuant to this division, the commissioner may order that person
17 or licensee to desist and to refrain from engaging in the business or further
18 continuing that violation. If, within 30 days after the order is served, a
19 written request for a hearing is filed and no hearing is held within 30 days
20 thereafter, the order is rescinded

21 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that
22 Fast Auto Loans, Inc., doing business as Fast Auto and Payday Loans, violated California Code of
23 Regulations, title 10, section 1451, by paying compensation to unlicensed persons or companies who
24 were not employees regularly employed at its licensed place of business for soliciting or accepting
25 applications for loans and California Code of Regulations, title 10, section 1557, by using “blind”
26 advertising through the website, www.connect.cash, to solicit business as www.connect.cash and not
27 displaying the “Fast Auto” name.

28 Pursuant to Financial Code section 22712, Fast Auto Loans, Inc., doing business as Fast Auto
and Payday Loans, is hereby ordered to desist and refrain from violating California Code of
Regulations, title 10, sections 1451 and 1557.

1 This Order is necessary, in the public interest and consistent with the purposes, policies, and
2 provisions of the California Financing Law. This Order shall remain in full force and effect until
3 further order of the Commissioner.

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5 Dated: September 22, 2018
6 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

8
9 By: _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division
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