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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:  
THE COMMISSIONER OF BUSINESS OVERSIGHT,  
Complainant,  
v.  
GALT VENTURES, LLC,  
Respondent.

This Consent Order is entered into between the Commissioner of Business Oversight  
(Commissioner) and Galt Ventures, LLC (Galt Ventures), and is made with respect to the following  
facts:

REQUITALS

A. The Department of Business Oversight, through the Commissioner, has jurisdiction  
over the licensing and regulation of persons and entities engaged in the business of finance lending  
or brokering under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).¹

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

CONSENT ORDER
B. Under the CFL, the Commissioner has authority to issue orders to desist and refrain from violations of the CFL; to deny, suspend, or revoke licenses pending or issued under the CFL; and to assess penalties.

C. The purpose of the CFL is to ensure an adequate supply of credit to borrowers in California; to simplify, clarify, and modernize the law governing loans made by finance lenders; to foster competition among finance lenders; to protect borrowers against unfair practices by some lenders, having due regard for the interests of legitimate and scrupulous lenders; to permit and encourage the development of fair and economically sound lending practices; and to encourage and foster a sound economic climate in this state. (Fin. Code, § 22001, subd. (a).)

D. Galt Ventures is a Kansas limited liability company with its principal place of business at 3527 North Ridge Road, Wichita, Kansas 67205.

E. Galt Ventures is a finance lender licensed by the Commissioner under license number 603H770. Galt Ventures does business under the names Speedy Cash and Speedy Cash Installment Loans. As of December 31, 2016, Galt Ventures had 7 branch locations in California, each with its own CFL license.

F. Beginning on September 16, 2014, the Commissioner conducted an examination of Galt Ventures’ CFL business (CFL Examination) and found evidence of the following:

   i. Galt Ventures charged some borrowers rates greater than those authorized by Financial Code sections 22303 and 22304 and administrative fees greater than those authorized by section 22305 based on the following examination findings. Galt Ventures made loans of $2,500.00 or more to borrowers who sought loans of less than $2,500.00. Before making such loans, Galt Ventures told the borrowers that the minimum loan amount it offered was $2,600.00 but that they could make an advance payment shortly after funding of whatever amount they did not want. Therefore, although those borrowers’ loans were loans of $2,500.00 or more and therefore exceeded the regulatory ceilings specified in sections 22303, 22304, and 22305, Galt Ventures used the regulatory ceiling provisions for the purpose of evading the CFL within the meaning of section 22251. Thus, under section 22251, those borrowers’ loans were not loans of a bona fide principal
amount of $2,500.00 or more and were subject to the limitations on charges and administrative fees in sections 22303, 22304, and 22305.

ii. In response to some borrowers who initially sought a loan of less than $2,500.00, Galt Ventures stated that it was precluded by state law or rule from making loans of less than $2,600.00. In doing so, Galt Ventures made materially false or misleading statements or representations to borrowers about the terms or conditions of their loans in violation of Financial Code section 22161, subdivision (a)(1).

iii. On its website at www.speedycash.com, Galt Ventures stated that “due to California State law,” it offered only $2,600.00 loans. In doing so, Galt Ventures advertised, printed, displayed, or distributed statements or representations regarding the business subject to the CFL that were false, misleading, or deceptive in violation of Financial Code section 22161, subdivision (a)(2).

G. The Commissioner finds that entering into this Consent Order is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the CFL.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. This Consent Order is entered into for the purpose of judicial economy and to avoid the expense and uncertainty of a hearing or other litigation.

2. Finality of Consent Order. Galt Ventures agrees to comply with this Consent Order and stipulates that this Consent Order is hereby deemed final.

3. Desist and Refrain Order. In accordance with Financial Code section 22712, Galt Ventures stipulates that it is ordered to desist and refrain from violating Financial Code sections 22303; 22304; 22305; 22337, subdivision (c); and 22161, subdivision (a)(1) and (a)(2).

2 Financial Code section 22161 was amended on October 4, 2017, with changes mostly relating to the numbering of subdivisions. (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 57.) The violations described in subdivision (a)(1) to (a)(6) correspond to those described in former subdivisions (a) to (f). All references to section 22161, subdivision (a)(1), (a)(2), and so on mean former subdivisions (a), (b), and so on, respectively, before October 4, 2017, and subdivision (a)(1), (a)(2), and so on, respectively, on and after that date.
4. **Waiver of Hearing Rights.** Galt Ventures acknowledges that the Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement action on the charges contained in this Consent Order. Galt Ventures hereby waives the right to any hearings and to any reconsideration, appeal, or other right to review which may be afforded under the CFL, Administrative Procedure Act, Code of Civil Procedure, or any other provision of law. Galt Ventures further expressly waives any requirement for the filing of an accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Galt Ventures consents to the finality of this Consent Order and the desist-and-refrain order in it.

5. **Refund Calculation.** Galt Ventures shall calculate refunds to certain borrowers as follows:

   (a) Galt Ventures shall audit its files and identify all loans made under its CFL licenses between January 1, 2011, and September 6, 2016, for which it received an advance payment on the day of funding or one business day after funding that would have reduced the outstanding principal balance to $1,700.00 or less if the entire payment had been applied to the principal (Refund Population).

   (b) Galt Ventures shall recast each loan in the Refund Population by reducing the original principal amount by the amount of the advance payment and determining the amount of interest and administrative fee it would have charged for the reduced principal amount based on an annual interest rate of 21 percent and the limitations on administrative fees in Financial Code section 22305 (Recast Interest Amount and Recast Administrative Fee, respectively).

   (c) For each loan in the Refund Population, Galt Ventures shall determine the amount of excess interest charged (Interest Overcharge) by subtracting the Recast Interest Amount from the actual amount of interest charged.

   (d) For each loan in the Refund Population, Galt Ventures shall determine the amount of excess administrative fee charged (Administrative-Fee Overcharge) by subtracting the Recast Administrative Fee from the actual administrative fee charged.

   (e) For each loan in the Refund Population, the amount Galt Ventures shall refund to the borrower (Refund Amount) is 30 percent of the sum of the Interest Overcharge and
Administrative-Fee Overcharge. If the Refund Amount for any loan is $5.00 or less, Galt Ventures is not required to make a refund for that loan.

(f) Galt Ventures shall submit a report to the Commissioner detailing the Refund Population, including each Recast Interest Amount, Recast Administrative Fee, Interest Overcharge, Administrative-Fee Overcharge, and Refund Amount no later than 30 days after the effective date of this Consent Order as defined in paragraph 29.

6. **Refund Payments.** Galt Ventures shall make the refunds described in paragraph 5 as follows:

   (a) Galt Ventures shall make the refunds no later than 60 days after the effective date of this Consent Order as defined in paragraph 29.

   (b) Galt Ventures shall apply each refund as follows:

   i. For a current borrower whose loan has an outstanding balance that is greater than the Refund Amount, Galt Ventures shall reduce the loan’s principal balance by the Refund Amount.

   ii. For a current borrower whose loan has an outstanding balance that is less than the Refund Amount, Galt Ventures shall reduce the loan’s principal balance to zero dollars and mail to the borrower’s last known address a check for the difference between the outstanding balance and Refund Amount.

   iii. For a former borrower whose loan was paid in full and who does not have any loans from Galt Ventures with an outstanding balance, Galt Ventures shall mail to the borrower’s last known address a check for the Refund Amount.

   iv. For a borrower whose loan was charged off and retained for internal collection, Galt Ventures shall reduce the charged-off balance by the Refund Amount.

   v. For a borrower whose loan was charged off and assigned for outside collection, Galt Ventures shall direct the assignee to reduce the outstanding balance by the Refund Amount. Galt Ventures shall notify the borrower of the reduced outstanding balance by electronic mail or U.S. mail at the borrower’s last known address.
(c) Galt Ventures shall submit evidence of payment of the Refund Amounts to the Commissioner no later than 90 days after the effective date of this Consent Order as defined in paragraph 29. Such evidence must include, at a minimum, for each loan in the Refund Population, an electronic schedule extracted from Galt Ventures’ books and records of loan balances and, as applicable, an affidavit of mailing of refund checks or notices of balance reductions.

(d) Galt Ventures shall escheat any unclaimed refunds to the California State Controller’s Office within the period provided by Code of Civil Procedure section 1520, subdivision (a) of the Unclaimed Property Law (Code of Civ. Proc., § 1500 et seq.).

7. **Administrative Penalty.** Galt Ventures shall pay an administrative penalty of $5,000.00 no later than 30 days after the effective date of this Consent Order as defined in paragraph 29. Galt Ventures shall pay in accordance with paragraph 9.

8. **Investigative Fee.** Galt Ventures shall pay the Commissioner’s investigative fees in the amount of $10,000.00 no later than 30 days after the effective date of this Consent Order as defined in paragraph 29. Galt Ventures shall pay in accordance with paragraph 9.

9. **Payment of Fees and Penalties.** Galt Ventures shall pay fees and penalties by cashier’s check or Automated Clearing House deposit to the Department of Business Oversight and transmitted to the attention of Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of payments must be sent to Samuel J. Park, Counsel, 320 West 4th Street, Suite 750, Los Angeles, California 90013.

10. **Compliance Procedures.** No later than 30 days after the effective date of this Consent Order as defined in paragraph 29, Galt Ventures shall implement certain programs, policies, and procedures with respect to loans made under its CFL licenses, as described below. Galt Ventures shall comply with the following provisions unless it receives written approval from the Commissioner to do otherwise:

    (a) **Advertising.** Galt Ventures shall remove from its advertising and all printed, displayed, or distributed materials any statement that Galt Ventures cannot make loans of less than $2,500.00 because of California law, rule, or regulation.
(b) **Verbal Disclosures.** Galt Ventures shall require its employees to give the following disclosures:

i. If a prospective borrower in California contacts Galt Ventures and expresses an interest in or desire for a loan of less than $2,600.00, Galt Ventures employees must respond with statements substantially similar to the following: “Galt Ventures does not make consumer installment loans of less than $2,600.00 to California consumers. Licensed finance lenders are permitted to make smaller loans, but Galt Ventures chooses not to do so. If you want a loan of less than $2,600.00, you may wish to seek a loan from another lender. Galt Ventures does not refer borrowers to other lenders. You can find a list of licensed lenders from the California Department of Business Oversight’s website at https://docqnet.dbo.ca.gov/licensesearch.” Galt Ventures employees must not state that Galt Ventures cannot make loans of less than $2,600.00 because of California law, rule, or regulation. Except as set forth in the following sentence, the responsive statements must not refer to borrowers’ ability to make advance payments of any amount at any time. Galt Ventures employees may explain borrowers’ statutory right to prepay to prospective borrowers so long as the explanation is not in response to an expressed interest in or desire for a loan of less than $2,600.00.

ii. If a prospective borrower in California contacts Galt Ventures and expresses an interest in or desire for a loan of less than $2,600.00, Galt Ventures employees must not refer to any alleged interest-saving from taking a loan of $2,600.00 or more and making an advance payment, unless they also concurrently explain that any interest-saving would be many times greater if the prospective borrower instead took a loan of less than $2,500.00.

(c) **Written Disclosures.** Galt Ventures shall provide to applicants a written statement that discloses in a clear and conspicuous manner the following: (i) Galt Ventures’ minimum loan amount; (ii) that California law limits the interest rate that can be charged for loans of less than $2,500.00 to about 30 percent; and (iii) that California law does not limit the interest rate that can be charged for loans of $2,500.00 or more.

(d) **Quality-Control Procedures.** Galt Ventures shall conduct appropriate quality-control procedures, including periodic retraining and telephone and in-person testing, to assure
compliance with sub-paragraphs (a), (b), and (c). Galt Ventures shall conduct such quality-control procedures at reasonably frequent intervals and promptly take corrective action to address any deficiencies in compliance.

11. **Proof of Compliance.** The Commissioner may periodically review Galt Ventures’ compliance with paragraphs 5 through 10 and may request proof of such compliance. In response to any such request, Galt Ventures shall promptly provide evidence of compliance to the Commissioner’s satisfaction.

12. **Failure to Comply.** If Galt Ventures fails to comply with any of the terms of this Consent Order, other than through inadvertent and isolated errors that are promptly corrected by Galt Ventures after discovering such errors and that are reported to the Commissioner no later than 10 business days after such corrections, the Commissioner may suspend Galt Ventures from engaging in business under its CFL licenses until it provides evidence of compliance to the Commissioner’s satisfaction. Galt Ventures hereby waives any hearing rights afforded under the Administrative Procedure Act, including Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law to contest the summary suspension.

13. **Consideration.** In consideration of Galt Ventures’ stipulation to the issuance of this Consent Order, the Commissioner agrees not to initiate disciplinary proceedings against Galt Ventures because of this action, except as provided in paragraph 12.

14. **Full and Final Resolution.** This Consent Order is entered into in settlement of disputed claims and shall not constitute an admission by Galt Ventures of any wrongdoing or of consumer harm. Except as provided in paragraph 12, this Consent Order is intended to constitute a full and final resolution of the findings described in paragraph F of the recitals. The Commissioner will not bring any further action or proceeding concerning those findings unless she discovers new and further violations by Galt Ventures that do not form the basis for this Consent Order, including violations knowingly or willfully concealed from the Commissioner. If the Commissioner discovers that Galt Ventures knowingly or willfully withheld information used and relied on in this Consent Order, the Commissioner may rescind this Consent Order and pursue all remedies available under law against Galt Ventures. Without limiting the generality of the foregoing, if Galt Ventures
complies with the provisions of this Consent Order, the Commissioner will not initiate any action or
proceeding against Galt Ventures based on alleged acts or omissions by Galt Ventures of the kinds
described in paragraph F that occurred between September 7, 2016, and 30 days after the effective
date of this Consent Order as defined in paragraph 29.

15. Commissioner’s Duties. Nothing in this Consent Order limits the Commissioner’s
ability to assist any other government agency with any action brought by that agency against Galt
Ventures, including an action based on any of the acts, omissions, or events described in this
Consent Order.

16. Third-Party Liability. The parties intend that this Consent Order does not create any
private rights or remedies against Galt Ventures, create any liability for Galt Ventures, or limit Galt
Ventures’ defenses against any person or entity not a party to this Consent Order.

17. Independent Legal Advice. Each party represents that it has received independent
advice from its counsel or representatives regarding the advisability of executing this Consent
Order.

18. Reliance. Each party represents that in executing this Consent Order it has relied
solely on the statements in the Consent Order and on the advice of its counsel or representatives.
Each party also represents that it has not relied on any statement or promise not contained in this
Consent Order from any other person or on the failure of such person to make a statement or
promise. The parties have included this clause to preclude any claim that a party was fraudulently
induced to execute this Consent Order.

19. Integration. This Consent Order is the final written expression and the complete and
exclusive statement of all the agreements, conditions, promises, representations, and covenants
between the parties concerning its subject matter and supersedes all discussion regarding such
subject matter between the parties, their representatives, and any other person. The parties have
included this clause to preclude the introduction of parol evidence to vary, interpret, supplement, or
contradict the terms of this Consent Order.

20. No Presumption Against Drafting Party. Each party acknowledges that it has had the
opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
intend that no presumption for or against the drafting party will apply in construing any part of this Consent Order. The parties waive the benefit of Civil Code section 1654 and corresponding provisions of any successor statute, which provide that in cases of uncertainty, language of a contract should be interpreted most strongly against the party that caused the uncertainty to exist.

21. **Waiver, Amendments, and Modifications.** No waiver, amendment, or modification of this Consent Order will be valid or binding unless it is in writing and signed by all parties affected by it. Waiver of a provision of this Consent Order will not be deemed a waiver of any other provision.

22. **Headings.** The headings in this Consent Order are for convenience only and do not affect its meaning.

23. **Governing Law.** This Consent Order will be governed by and construed in accordance with California law.

24. **Authority to Sign.** Each party represents that the person signing this Consent Order on its behalf has the authority and capacity to do so.

25. **Voluntary Agreement.** Galt Ventures enters into this Consent Order voluntarily and without coercion and acknowledges that no promises, threats, or assurances about this Consent Order have been made by the Commissioner or any of the Commissioner’s officers or agents.

26. **Public Record.** Galt Ventures acknowledges that this Consent Order is a public record.

27. **Counterparts.** This Consent Order may be executed in any number of counterparts, each of which will be deemed an original when executed. All counterparts together will be deemed to constitute a single document.

28. **Signatures.** A signature delivered by facsimile (including any electronic signature) or electronic mail will be deemed an original signature.

29. **Effective Date.** This Consent Order will become effective on the date it is signed by all parties and delivered by the Commissioner to Galt Ventures’ counsel by electronic mail at hilary@miller.net.
30. **Notice.** Any notice to Galt Ventures required under this Consent Order must be sent by mail to Galt Ventures at 3527 North Ridge Road, Wichita, Kansas 67205 and contemporaneously by electronic mail to Hilary B. Miller, Esq., at hilary@miller.net.

Dated: 10/5/18

JAN LYNN OWEN
Commissioner of Business Oversight

By:
MARY ANN SMITH
Deputy Commissioner

Dated: 10/5/18

GALT VENTURES, LLC

By:
DONALD F. GAYHARDT
President and Chief Executive Officer