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

TO: HOWARD S. MCDERMOTT
433 Market Street,
Colusa, California 95932

and

HOWARD S. MCDERMOTT, d.b.a. CHECK CONNECTION FURNITURE
CONNECTION
433 Market Street,
Colusa, California 95932

and

HOWARD S. MCDERMOTT, d.b.a. CHECK CONNECTION FURNITURE
CONNECTION
130 N. Butte St.,
Willows, California 95988

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**DESIST AND REFRAIN ORDER
(For violations of California Financial Code sections 23005, 23050, 23058)**

The California Corporations Commissioner finds that:

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1. Howard S. McDermott (“McDermott”) is, and was at all relevant times herein, an individual doing business as Check Connection Furniture Connection (“Check Connection”), a sole proprietorship with two branch offices. One is located at 433 Market St., Colusa, California 95932 (“Colusa branch”), and the other is located at 130 N. Butte St., Willows, California 95988 (“Willows branch”).

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2. Between April 1, 2005 and June 27, 2006, McDermott engaged in the business of deferred deposit transactions at the Willows branch by originating deferred deposit transactions without a license.

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3. The California Corporations Commissioner (“Commissioner”) has not issued McDermott or Check Connection a license to engage in the business of deferred deposit

1 transactions under the California Deferred Deposit Transaction Law (“CDDTL”) (California
2 Financial Code §§ 23000 et seq.) at the Willows branch.

3 4. McDermott or Check Connection is not exempt from Financial Code section
4 23005 licensing requirements.

5 5. McDermott continued to perform deferred deposit transactions without a license
6 after the Department representative informed McDermott that each branch needed its own
7 CDDTL license. On June 27, 2006 McDermott furnished the Department representative with a
8 log of the 1,072 loan transactions that had been recorded at the Willows branch without a
9 CDDTL license between April 1, 2005 and June 27, 2006, including 42 outstanding payday
10 loans.

11 By reason of the foregoing, Howard S. McDermott and Howard S. McDermott doing
12 business as Check Connection Furniture Connection have engaged in the business of deferred
13 deposit transactions without having first obtained a license from the Commissioner in violation
14 of California Financial Code section 23005.

15 Pursuant to California Financial Code section 23050, Howard S. McDermott and Howard
16 S. McDermott doing business as Check Connection Furniture Connection, are hereby ordered to
17 desist and refrain from engaging in the business of deferred deposit transactions at the Willows
18 branch without first obtaining a license from the Commissioner unless exempt. This Order is
19 necessary, in the public interest, for the protection of consumers and is consistent with the
20 purposes, policies and provisions of the California Deferred Deposit Transaction Law. This
21 order shall remain in full force and effect until further order of the Commissioner.

22 California Financial Code section 23050 provides in pertinent part:

23 Whenever, in the opinion of the commissioner, any person is engaged in
24 the business of deferred deposit transactions, as defined in this division,
25 without a license from the commissioner . . . the commissioner may order
26 that person or licensee to desist and to refrain from engaging in the
27 business 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.

28 Pursuant to Financial Code section 23058, McDermott and Check Connection are hereby
ordered to pay an administrative penalty in the amount of five hundred dollars (\$500.00) for

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engaging in unlicensed deferred deposit transactions.

California Financial Code section 23058 provides in pertinent part:

If . . . the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing . . . the citation shall be deemed final.

Dated: February 28, 2007
Sacramento, CA

PRESTON DUFAUCHARD
Corporations Commissioner

By _____
Sharon A. Lueras
Lead Corporations Counsel
Enforcement Division