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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. Anasazi Group LLC Respondents.	DESIST AND REFRAIN ORDER PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 23050; and ORDER VOIDING TRANSACTIONS PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 23060

Complainant, the Commissioner of the California Department of Corporations ("Commissioner" or "Department"), is informed and believes, and based on such information and belief, finds as follows:

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I.

FACTUAL BACKGROUND

1. Anasazi Group LLC ("Anasazi") is, and was at all relevant times herein, an entity of unknown form. Anasazi operates over the internet using the domain name cwbservices.net, including but not limited to the email address anasaziinfo@cwbservices.net, from an undisclosed physical location and providing only a telephone number (866) 955-0897 and fax number (888) 519-2164.

2. The internet domain name cwbservices.net is used by multiple entities, including but not limited to Anasazi, Vandelier Group LLC, and St. Armands Services LLC a.k.a. St. Armands Group LLC ("St. Armands"). St. Armands is located at P.O. Box 411056, Kansas City, Missouri 64141, and 1010 Walnut Street, Kansas City, Missouri 64106.

3. The Commissioner has jurisdiction over deferred deposit transactions as set forth in the California Deferred Deposit Transaction Law ("CDDTL") (California Financial Code section 23000 *et. seq*.)

4. "Deferred deposit transaction" means a transaction whereby a person defers depositing a customer's personal check until a specific date, pursuant to a written agreement for a fee or other charge. "Personal check," which is referenced in California Financial Code section 23001, subdivision (a), includes the electronic equivalent of a personal check, such as an Automated Clearing House ("ACH") or debit card transaction.

5. On January 30, 2012, the Commissioner, pursuant to California Financial Code section 23050, ordered St. Armands to desist and refrain from violating California Financial Code sections 23005 and 23036. Pursuant to California Financial Code section 23060 any and all deferred deposit transactions contracted with California customers or in the State of California by St. Armands are void.

6. On February 7, 2012, St. Armands was served the Desist and Refrain Order Pursuant to California Financial Code Section 23050 and Order Voiding Transactions and to Disgorge All Charges and Fees Pursuant to California Financial Code Section 23060 ("Commissioner's Order"). The Commissioner's Order issued to St. Armands remains in full force and effect.

7. Since at least June, 2012, Anasazi has engaged in the business of originating or

offering to originate deferred deposit transactions (commonly referred to as "payday loans" or "payday advances") via email containing the domain name cwbservices.net to California residents as described below.

8. Prospective customers submit an online loan application that requires them to provide personal and checking account information. Anasazi then emails the customers from email addresses containing the domain name cwbservices.net and offers payday loans that charge fees beyond what the CDDTL allows. For example, Anasazi emailed a payday loan agreement to at least one California resident dictating the following terms: a $300 loan amount, 730% interest rate, $90 refinance fee, and $30 return check fee. When the due date on the deferred deposit transaction arrived, funds were automatically withdrawn from the California resident's bank account.

9. Anasazi has not been issued a deferred deposit transaction originator license by the Commissioner pursuant to the CDDTL. As such, Anasazi is not authorized to engage in payday lending, or to offer, originate, or make a deferred deposit transaction, arrange a deferred transaction for a deferred deposit originator, act as an agent for a deferred deposit originator, or assist a deferred deposit originator in the origination of a deferred deposit transaction in California or to California residents.

II.

DESIST AND REFRAIN ORDER

The Department is responsible for enforcing provisions of the CDDTL found in California Financial Code commencing at section 23000. The Commissioner is authorized to pursue administrative actions and remedies against persons who engage in violations of the CDDTL.

California Financial Code section 23050 provides, in pertinent part:

> Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions . . . 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.

Cal. Fin. Code § 23050 (2012).

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California Financial Code section 23005 subdivision (a) prohibits any person from offering, originating, or making a deferred deposit transaction without first obtaining a license from the Commissioner, except as specified. Section 23036 subdivision (a) limits fees to 15% of the face amount of the deferred deposit transaction.

The foregoing facts establish violations of the CDDTL by Anasazi Group LLC, including: 1) engaging in the business of originating or offering to originate deferred deposit transactions without having first obtained a license to do so from the Commissioner, in violation of section 23005(a); and 2) charging excessive transaction fees in violation of section 23036(a).

Pursuant to Financial Code section 23050, Anasazi Group LLC is hereby ordered to desist and refrain from violating Financial Code sections 23005 and 23036. 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.

III.

ORDER VOIDING CALIFORNIA DEFERRED DEPOSIT TRANSACTIONS

California Financial Code section 23060 provides:

> (a) If any amount other than, or in excess of, the charges or fees permitted by this division is willfully charged, contracted for, or received, a deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive the principal amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.
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> (b) If any provision of this division is willfully violated in the making or collection of a deferred deposit transaction, the deferred deposit transaction contract shall be void, and no person shall have any right to collect or receive any amount provided in the deferred deposit transaction, any charges, or fees in connection with the transaction.

Cal. Fin. Code § 23060 (2012).

Pursuant to California Financial Code section 23060 subdivisions (a) and (b), any and all deferred deposit transactions contracted with California customers or in the State of California by Anasazi Group LLC are therefore void. Anasazi Group LLC is hereby ordered to immediately cease collecting all principal amounts, and return all principal amounts, provided in any and all deferred

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deposit transactions contracted with California customers or in the State of California, and to disgorge any and all charges or fees received in conjunction with those deferred deposit transactions.

Dated: August 13, 2012
Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner

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