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Commonwealth of Pennsylvania
Pennsylvania Department of Banking
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Harrisburg, PA 17101

Once you file your petition appealing the Order and requesting a hearing, you will be notified of the hearing date, time, place, the person who will preside at your hearing, and any other pertinent information.

You have the right to be represented by an attorney. Corporations may be required to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§31.1.-35.251.

FILED

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF BANKING 2012 MAY 22 AM 10:09

Commonwealth of Pennsylvania	:	PA DEPT OF BANKING
Department of Banking,	:	
Bureau of Compliance and Licensing	:	
	:	Docket No.: 12 <u>0054</u> (ENF-C&D)
v.	:	
	:	
Down Under Ventures, Ltd. d/b/a Cash Jar;	:	
Hong Kong Partners Ltd. d/b/a Cash Jar;	:	
Henderson, Wyatt, Weinstein and Associates;	:	
and District Restitution Services,	:	
jointly and severally	:	

ORDER

WHEREAS, the Commonwealth of Pennsylvania Department of Banking, ("Department") is a Pennsylvania administrative agency authorized and empowered to administer and enforce the Consumer Discount Company Act ("CDCA") 7 P.S. § 6201 *et seq.*, and the Loan Interest and Protection Law ("LIPL"), 41 P.S. § 101 *et seq.*; and

WHEREAS, the Department's Bureau of Compliance and Licensing ("Bureau") is the Bureau within the Department with the primary responsibility of administering and enforcing the CDCA and the LIPL for the Department; and

WHEREAS, the Department requires persons who engage in the business of making, negotiating, and collecting, non-mortgage loans in Pennsylvania, of less than \$25,000, and charge fees, interest, or other considerations, in excess of 6%, to be licensed as a consumer discount company; and

WHEREAS, the Department also requires that persons who solicit, or hold themselves out as willing or able to arrange for, or negotiate non-mortgage loans, in Pennsylvania of less

than \$25,000, and charge fees, interest, or other considerations, exceeding 6%, to be licensed as a consumer discount company; and

BACKGROUND

WHEREAS, Hong Kong Partners, Ltd. d/b/a Cash Jar and Down Under Ventures, d/b/a Cash Jar, (collectively "Cash Jar"), are not licensed under Cash Jar, Hong Kong Partners, Down Under Ventures, or any other name, to provide loans for less than \$25,000 in Pennsylvania, or authorized to charge fees, interest, or other considerations, exceeding 6% in Pennsylvania; and

WHEREAS, on May 24, 2010, Down Under Ventures d/b/a Cash Jar was the subject of a Desist and Refrain Order issued by the State of California, Department of Corporations for engaging in payday lending, otherwise referred to as deferred deposit transactions or short term loans; and

WHEREAS, Cash Jar continues to operate a website at www.cashjar.com through which it offers short term loans to residents in Pennsylvania; and

WHEREAS, Cash Jar provides short term loans to residents in Pennsylvania by electronically transmitting monies into the residents' bank accounts; and

WHEREAS, Pennsylvania residents pay off the short term loans, plus interest, fees and other considerations, by allowing Cash Jar to debit the money from their bank accounts; and

WHEREAS, Henderson, Wyatt, Weinstein and Associates is a collection agency located at 5140 Main Street, Suite 303-129, Williamsville, NY 14221-5265; and

WHEREAS, Henderson, Wyatt, Weinstein and Associates has engaged in collecting debt from consumers that originated as an illegal short term loan from Cash Jar, including principle, interest and fees on loans; and

WHEREAS, Distribution Services is a collection agency located at 6039 Fallsview Blvd. Suite 2000, Niagara Falls, Ontario, Canada; and

WHEREAS, Distribution Services is engaging in the collection of illegal debt from consumers that originated as a short term loan from Cash Jar, including principle, interest and fees on loans; and

Count I

WHEREAS, on or about May 16, 2011, the Department received a complaint from [redacted] regarding Cash Jar; and

WHEREAS, Ms. [redacted] is a resident of Gettysburg, Pennsylvania; and

WHEREAS, in her complaint, Ms. [redacted] averred that she secured a short-term loan for \$1,000 from Cash Jar for which she paid \$750 in interest at the time of her complaint; and

WHEREAS, Ms. [redacted] further averred that Cash Jar is taking \$250 every two weeks despite her express wishes to pay the loan in full; and

WHEREAS, 6% interest per year on a \$1,000 loan would be approximately \$60; and

WHEREAS, Ms. [redacted] is a Pennsylvania resident that was lent money by Cash Jar in an amount less than \$25,000 for which she was charged interest far in excess of 6% in violation of Pennsylvania law; and

Count II

WHEREAS, on or about May 13, 2011, [redacted] secured a short loan for \$1,000 from Cash Jar; and

WHEREAS, on or about May 20, 2011, the [redacted] filed a complaint with the Department regarding Cash Jar; and

WHEREAS, Mrs. [redacted] and her husband are residents of York, Pennsylvania; and

WHEREAS, in her complaint, Mrs. _____ averred that she and her husband were being harassed by Cash Jar for payments on a short-term loan with Cash Jar; and

WHEREAS, the _____ were advised that they would pay \$200 per payday beginning May 26, 2011, all of which would be a “finance fee,” or interest on the loan; and

WHEREAS, the next three payments would also be for \$200 all of which would be payment of the “finance fee” or interest on the loan; and

WHEREAS, only on the fifth payment date would any money be credited to principal, that amount being \$50.00 and the remainder of the payment would again be finance charges or interest; and

WHEREAS, 6% interest per year on a \$1,000 loan would be approximately \$60; and

WHEREAS, Cash Jar lent money to the _____, Pennsylvania residents, in an amount less than \$25,000 and charged interest on the loan far in excess of 6% in violation of Pennsylvania law; and

Count III

WHEREAS, on or about May 27, 2011, the Department received a complaint from _____ regarding Cash Jar; and

WHEREAS, Ms. _____ resides in Dresher, Pennsylvania; and

WHEREAS, Ms. _____ averred that she obtained a short term loan from Cash Jar; and

WHEREAS, Ms. _____ averred that the interest on her loan exceeded 600%; and

WHEREAS, Ms. _____ was contacted by Henderson, Wyatt, Weinstein and Associates demanding payment on the debt due Cash Jar; and

WHEREAS, Ms. _____ attempted to negotiate with Henderson, Wyatt, Weinstein and Associates for payment of her debt at a rate of interest of 27.99% which offer was refused; and

WHEREAS, Cash Jar lent money to Ms. _____, a Pennsylvania resident, in an amount less than \$25,000 for which she was charged interest far in excess of 6% in violation of Pennsylvania law; and Henderson, Wyatt, Weinstein and Associates has since attempted to collect the illegal loan at the unlawful rate of interest; and

Count IV

WHEREAS, the Department received a complaint from the Bureau of Consumer Protection, Office of Attorney General against Cash Jar filed by _____ on or about July 13, 2011; and

WHEREAS, Ms. _____ is a resident of Pittston, Pennsylvania; and

WHEREAS, in her complaint to the Bureau of Consumer Protection, Ms. _____ alleged that Cash Jar has been withdrawing \$60.00 per week from her checking account without authorization; and

WHEREAS, Ms. _____ does not recall securing a short term loan from Cash Jar; and

WHEREAS, if Ms. _____ did secure such a loan, the payments far exceed 6% interest in violation of Pennsylvania law; and

WHEREAS, in the alternative, if no short term loan was secured, the withdrawals from Ms. _____'s account violate the law; and

Count V

WHEREAS, on or about October 17, 2011, _____, alleged that he secured a \$500 short term loan from Cash Jar; and

WHEREAS, on or about April 27, 2012, the Department received a complaint from the Bureau of Consumer Protection, Office of Attorney General against Cash Jar filed by _____, and

WHEREAS, Mr. _____ is a resident of North Wales, Pennsylvania; and

WHEREAS, Mr. _____ was told that he would be required to pay back the \$500 plus \$150 in interest and fees; and

WHEREAS, Mr. _____ stated he paid \$150 every two weeks for a period of 8 weeks, a total \$600, when he called Cash Jar shortly after to find out the amount of a final payment; and

WHEREAS, Mr. _____ was advised on or about December 14, 2011 that he still owed \$650 in full at that time he would have to pay; and

WHEREAS, 6% interest per year on a \$500 loan would be approximately \$30; and

WHEREAS, Mr. _____ is a Pennsylvania resident that was lent money by Cash Jar in an amount less than \$25,000 for which he was charged interest far in excess of 6% in violation of Pennsylvania law; and

Count V

WHEREAS, _____ is a Pennsylvania resident; and

WHEREAS, _____ obtained a short term loan from Cash Jar; and

WHEREAS, Ms. _____ had been contacted repeatedly by an agency attempting to collect the illegal debt and interest originally due to Cash Jar; and

WHEREAS, that agency closed its file on Ms. [redacted] 's short term loan and suspended attempts to collect it when that agency was instructed to do so due to the illegal nature of the debt; and

WHEREAS, a second collection agency, District Restitution located at 6039 Fallsview Boulevard, Suite 2000, Niagara Falls, ON, Canada, began in December of 2011 to attempt to collect the illegal debt and interest; and

WHEREAS, Cash Jar lent money to Ms. [redacted], a Pennsylvania resident, in an amount less than \$25,000 for which she was charged interest that far exceeds 6% in violation of Pennsylvania law; and District Restitution has since attempted to collect the illegal loan at the unlawful rate of interest; and

Count VI

WHEREAS, in and around September of 2011, [redacted] obtained a short term loan from Cash Jar of \$300 in; and

WHEREAS, Ms. [redacted] is a resident of Bedford, Pennsylvania; and

WHEREAS, Ms. [redacted] was charged interest far in excess of the legal rate of 6% and Cash Jar has taken out "extreme payments" from Ms. [redacted] bank account; and

WHEREAS, Cash Jar lent money to Ms. [redacted], a Pennsylvania resident, in an amount less than \$25,000 for which she was charged interest far in excess of 6% in violation of Pennsylvania law; and

Count VII

WHEREAS, on or about December 29, 2011, [redacted], also known as

[redacted], secured a \$500 short term loan from Cash Jar; and

WHEREAS, Ms. [redacted] is a resident of Harrisburg, Pennsylvania; and

WHEREAS, on or about May 1, 2012, the Department received a complaint from Ms. [redacted] against Cash Jar; and

WHEREAS, Ms. [redacted] alleges, and has provided documents that demonstrate, that she was required to pay back \$500 plus \$75.00 in interest and fees, an interest rate of 684.38 %; and

WHEREAS, on March 20, 2012, Ms. [redacted] advised Cash Jar that she had paid them \$725.00, that the loan was illegal, and that she would not make any further payments; and

WHEREAS, on or about March 21, 2012, Cash Jar informed Ms. [redacted], in writing, that her account was marked “settled” and “paid in full;” and

WHEREAS, Ms. [redacted] is a Pennsylvania resident that was lent money by Cash Jar in an amount less than \$25,000 for which she was charged interest far in excess of 6% interest in violation of Pennsylvania law; and

VIOLATIONS

WHEREAS, by engaging in the business of making loans to Pennsylvania residents in amounts less than \$25,000 and charging fees, interest, or other considerations in excess of 6%, without being licensed by the Department, Cash Jar has violated and continues to violate Section 3.A of the CDCA, 7 P.S. § 6203.A, and Section 201(a) of the LIPL, 41 P.S. § 201(a); and

WHEREAS, by soliciting and holding itself out as willing or able to arrange for or negotiate loans through its website to Pennsylvania residents in amounts of less than \$25,000 where the interest, fees, charges, or other considerations exceed 6%, without being licensed by the Department, Cash Jar has violated and continues to violate Section 3.B of the CDCA, 7 P.S. § 6203.B, and Section 201(a) of the LIPA, 41 P.S. § 201(a); and

DEPARTMENT'S AUTHORITY

WHEREAS, because Cash Jar engages in unlicensed activity in violation of the CDCA and LIPL, the Department has the authority to, *inter alia*, order it to cease and desist the activity until licensed, require it to pay the costs of the Department's enforcement action, prohibit or permanently remove it from continuing the activity, and to impose such other conditions as the Department deems appropriate, 41 P.S. §§ 506(c)(2)-(5); and

WHEREAS, the Department may consider mitigating factors such as cooperation and acts of good faith when determining the conditions to impose; and

WHEREAS, this Order shall not preclude the Department from commencing additional enforcement action against Cash Jar and any additional entities, companies, or persons associated with Cash Jar as it deems necessary based on information unknown as of this date; and

AND NOW THEREFORE, because Cash Jar engages in the business of lending money in an amount less than \$25,000 to Pennsylvania residents and charges in excess of 6% interest for the loan, without a license, and solicits such loans to Pennsylvania residents through its website, and collects on such loans, both directly and through arrangements with collection agencies, the Bureau, under the authority cited above, hereby imposes the following Order. Upon the effective date of this Order:

1. Cash Jar shall immediately cease and desist from negotiating and making non-mortgage loans or advances of money on credit in an amount of \$25,000 or less to Pennsylvania residents and charging interest and fees in excess of 6% until licensed by the Department to do such business.

2. Cash Jar shall immediately cease and desist from advertising, soliciting, and arranging non-mortgage loans for Pennsylvania residents in an amount less than \$25,000 and charging interest, fees and other considerations in excess of 6% until licensed by the Department to do such business.

3. Cash Jar shall immediately cease and desist from attempting to collect or collecting, directly or indirectly through third parties such as collection agencies, interest or any other considerations that exceed 6% on non-mortgage loans of less than \$25,000 that it made to Pennsylvania residents since February 1, 2009.

4. Cash Jar shall not transfer, assign or sell to any persons, companies or entities any non-mortgage loans of less than \$25,000 that it has made to Pennsylvania residents since February 1, 2009 where the interest, fees or other considerations on the loans exceed 6%.

5. Cash Jar shall not purchase any non-mortgage loans of less than \$25,000 made to Pennsylvania residents since February 1, 2009 where the interest, fees or other considerations on the loans exceed 6%.

6. Cash Jar shall not directly or indirectly (through third parties or collection agencies) file a negative report with any credit agency regarding any Pennsylvania resident to which it has provided a non-mortgage loan of less than \$25,000 since February 1, 2009 if the consumer has paid back an amount equal to the principal amount of the loan plus interest of up to (not in excess of) 6%.

7. Cash Jar shall correct any such negative reports previously filed with any credit agency regarding any Pennsylvania resident to which it has provided a non-mortgage loan of less than \$25,000 since February 1, 2009 if the consumer has paid back an amount equal to the principal amount of the loan plus interest of up to (not in excess of) 6%.

8. Cash Jar shall refund to Pennsylvania residents the amount of monies that the residents paid on loans that exceeded the 6% interest rate cap.

9. Within 10 days of the effective date of this Order, Cash Jar shall provide to the Department a list of loans and cash advances made to Pennsylvania residents from February 1, 2009 to the present. The list shall include:

- a. The name, address and phone number of each consumer; and
- b. The date of the loan; and
- c. The terms of the loan including the amount financed, any and all charges, interest, fees or other considerations including, but not limited to interest charges, finance charges, renewal fees, and the total amount of payments to be paid by the resident; and
- d. The status of the loans including total amounts still owed by the resident to Cash Jar, or if the loans have been transferred to a third party such as another lender or collection agency, when such transfer occurred and the contact information for the third party; and
- e. Any other additional information that the Department shall request relating to these loans as the Department deems necessary.

9. Cash Jar shall pay a fine to the Department in an amount of \$60,000 for the violations of the CDCA and LIPL referenced in this Order. *See* 41 P.S. § 505(b). The Department reserves the right to impose additional fines based on each specific short term loan transaction unknown as of the date of this Order, but uncovered at a later date, in the absence of good faith on the part of Cash Jar.

10. Cash Jar shall pay the reasonable costs and expenses incurred by the Department to commence and prosecute this enforcement action should Cash Jar challenge this Order

without success. To this end, the Department expressly requests a separate hearing to ascertain the amount of monies expended by the Department should we need to prosecute this enforcement action.

11. District Restitution shall cease and desist from engaging in any activity in an attempt to collect any illegal short term loan involving a Pennsylvania resident, including but not limited to, those originating with Cash Jar, the owners of Cash Jar, or any affiliated companies by any name whatsoever; and

12. Henderson, Wyatt, Weinstein and Associates shall cease and desist from engaging in any activity in an attempt to collect any illegal short term loan involving a Pennsylvania resident, including but not limited to, those originating with Cash Jar, the owners of Cash Jar, or any affiliated companies, by any name whatsoever.

It is so **ORDERED**.

FOR THE COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE AND LICENSING

Dated: May 21, 2012

Ryan Walsh, Chief of Compliance
Bureau of Compliance and Licensing
Commonwealth of Pennsylvania
Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED

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Commonwealth of Pennsylvania
Department of Banking,
Bureau of Compliance and Licensing

v.

Down Under Ventures, Ltd. d/b/a Cash Jar;
Hong Kong Partners Ltd. d/b/a Cash Jar;
Henderson, Wyatt, Weinstein and Associates;
And District Restitution Services,
jointly and severally

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: Docket No.: 12 0054 (ENF-C&D)
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PA DEPT OF BANKING

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED
ELECTRONIC MAIL AND FIRST CLASS MAIL:

**Service on Down Under Ventures, Ltd. d/b/a Cash Jar and
Hong Kong Partners Ltd. d/b/a Cash Jar:**

Cash Jar, LLC
P.O. Box 1639
Belize City, Belize, C.A.

National Registered Agents, Inc.,
Registered Agent for Cash Jar, LLC
2778 W. Shady Bend Dr.
Lehi, Utah 84043-5676

Cash Jar, LLC
P.O. Box 1639
Rio Hondo, TX 78583

recoveries@cashjar.com
fidelity@incorporatebelize.com

Cash Jar, LLC
P.O. Box 025250 # 150502500
Miami, FL 33102-5250

Down Under Ventures
Wilcrest Suite 201
Houston, TX 77042

Hong Kong Partners, Ltd.
Suite 508 Marina Towers,
Newtown Barracks
Belize City, Belize C.A.

Down Under Ventures, Ltd.
Suite 508 Marina Towers
Newtown Barracks
Belize City, Belize C.A.

Service on District Restitution Services:

District Restitution Services
Attn: Legal Department
6039 Fallsview Blvd.
Suite 2000
Niagara Falls, ON, Canada L2G3V6

Service on Henderson, Wyatt, Weinstein and Associates:

Henderson, Wyatt, Weinstein and Associates
5140 Main St Ste 303-129
Williamsville, NY 14221

Dated this 22nd day of May, 2012

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