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ARIZONA SUPERIOR COURT

COUNTY OF PIMA

10 State of Arizona, ex rel. Thomas C.
11 Horne, Attorney General,

No. C20099397

12 Plaintiff

**JOINT MOTION TO ENTER CONSENT
JUDGMENT**

13 vs.

Assigned to the Hon. Richard Gordon

14 Quik Cash; QC Holdings Inc. dba
15 Financial Services, Inc./Quik Cash; QC
16 Financial Services Inc. dba Quik Cash,

17 Defendants.

18 The parties, by and through undersigned counsel, respectfully move this Court
19 to enter an Order Re: Consent Judgment, a copy of which Order is filed
20 contemporaneously with this Motion.

21 A. The State of Arizona filed a complaint alleging violations of the Consumer
22 Fraud Act, A.R.S. § 44-1521 *et seq.* Defendants, Quik Cash; QC Holdings
23 Inc. dba Financial Services, Inc./Quik Cash; and QC Financial Services
24 Inc. dba Quik Cash, (hereafter, "Quik Cash") have been fully advised of
25 their right to a trial in this matter and, after receiving the advice
26 of counsel, have waived that right.

27 B. Quik Cash admits the jurisdiction of this Court over both the subject matter
28 and the parties for the purpose of entry of this Consent Judgment and

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acknowledges that this Court retains jurisdiction for the purpose of enforcing this Consent Judgment.

- C. This Consent Judgment does not constitute Quik Cash's admission for any purpose of a violation of any state or federal, civil or criminal law, rule or regulation, nor does this Consent Judgment constitute evidence of any liability. This Consent Judgment is made without trial or adjudication of any issues of fact or law or finding of liability of any kind. Only the parties to this action may seek enforcement of this Consent Judgment.
- D. Quik Cash recognizes and states that it enters into this Consent Judgment voluntarily and that neither the Office of the Attorney General nor any of its members has made threats or promises to induce Quik Cash to enter into this Consent Judgment.
- E. Quik Cash acknowledges that the State of Arizona's acceptance of this Consent Judgment is solely for the purpose of settling this litigation and, except as expressly provided herein, does not preclude the Attorney General, or any other agency or officer of this State, or subdivision thereof, from instituting other civil or criminal proceedings as may be appropriate now or in the future.
- F. Nothing in this Consent Judgment restricts any person or entity from pursuing a private action or asserting any available right or remedy against Quik Cash.

APPLICATION

This Order applies to Quik Cash; QC Holdings Inc. dba Financial Services, Inc./Quik Cash; and QC Financial Services Inc. dba Quik Cash, and to its future principals, officers and directors, assigns and successors, managerial or supervisory employees, and to any other employee or agent having responsibilities with respect to the subject matter of this Order.

1 **DEFINITIONS**

2 1. For purposes of this Consent Judgment, the following definitions shall
3 apply:

4 a. "Effective Date" means the date the Court signs the Consent
5 Judgment.

6 b. "Eligible Consumers" mean those non-residents of Pima County
7 who obtained pay day loans from Quik Cash outside of Pima
8 County and against whom Defendants obtained a default
9 judgment in the Pima County Justice Court and received funds
10 from collection efforts, including garnishments, which funds were
11 applied to such default judgments.

12 c. "Payday loan" means deferred presentment services pursuant to
13 A.R.S. § 6-1251(3), repealed July 1, 2010.

14 d. "Quik Cash" means Quik Cash; QC Holdings Inc. dba Financial
15 Services, Inc./Quik Cash; and QC Financial Services Inc. dba
16 Quik Cash and its current and future principals, officers and
17 directors, assigns and successors, and managerial or supervisory
18 employees.

19 **INJUNCTION**

20 2. Quik Cash shall comply with the Arizona Consumer Fraud Act, A.R.S. §
21 44-1521, *et seq.*, as it is currently written or as amended in the future.

22 **CONSUMER RELIEF AND RESTITUTION**

23 3. If Quik Cash has not already filed releases of the default judgments and
24 garnishments it obtained against Eligible Consumers in Pima County Justice Court,
25 Quik Cash shall file releases within ten (10) days of the Effective Date.

26 4. Quik Cash shall pay up to one hundred and seventy thousand dollars
27 (\$170, 000) in restitution to Eligible Consumers.

1 5. Within thirty (30) days of Effective Date, Quik Cash shall send all Eligible
2 Consumers the following:

- 3 a. a letter explaining that Quik Cash and the Attorney General's
4 Office have entered into a settlement;
- 5 b. a statement that Quik Cash has released each Eligible
6 Consumer's default judgment and garnishment; and
- 7 c. a restitution check backed by good and sufficient funds.
- 8 d. a statement that the consumer must cash the check within one
9 hundred and twenty (120) days of the date printed on the check.

10 6. Quik Cash shall ensure that the envelopes containing the letters and
11 restitution checks do not look in any way like a solicitation or an effort to collect on
12 Eligible Consumers' pay day loans. The return address on the envelope shall contain
13 the words "Quik Cash Refund."

14 7. Quik Cash shall provide the Attorney General's Office within thirty (30)
15 days of mailing the refund checks, a sample of the refund letter, the names and
16 addresses of the Eligible Consumers and the amount of the restitution check sent to
17 each Eligible Consumer.

18 8. If restitution checks are returned to Quik Cash as undeliverable, Quik
19 Cash shall use all reasonable efforts to locate the Eligible Consumers. If, after ninety
20 (90) days from receiving the returned checks, Quik Cash, using reasonable efforts,
21 has not been able to locate the Eligible Consumers, Quik Cash shall void the
22 restitution checks and pay the total amount of the undeliverable checks to the Attorney
23 General's Office to be deposited into the Consumer Fraud Revolving Fund as costs
24 and attorney's fees and for the purposes set out in A.R.S. § 44-1531.01 (B) and (C).
25 At the time Quik Cash sends the payment to the Attorney General's Office, it shall also
26 provide a list of the names and addresses of the Eligible Consumers whom Quik Cash
27 was unable to locate with reasonable efforts.

1 9. If Eligible Consumers do not cash restitution checks within one hundred
2 and twenty (120) days from the date printed on the restitution checks, Quik Cash shall
3 void the restitution checks and will pay the total amount of cancelled checks to the
4 Attorney General's Office to be deposited into the Consumer Fraud Revolving Fund as
5 costs and attorney's fees and for purposes set out in A.R.S. § 44-1531.01 (B) and (C).
6 At the time Quik Cash sends the payment to the Attorney General's Office, it shall also
7 provide a list of the names and addresses of the Eligible Consumers who did not cash
8 their restitution checks.

9 **SETTLEMENT PAYMENT**

10 10. Quik Cash shall deliver a check for sixty-seven thousand five hundred
11 dollars (\$67,500) to the Attorney General's Office when it delivers the signed consent
12 judgment. This amount shall be applied to costs and attorneys' fees and for other
13 purposes set out in A.R.S. § 44-1531.01 (B) and (C). The Attorney General will
14 promptly place the payment into the Consumer Fraud Revolving Fund on or directly
15 after the Effective Date.

16 11. With regard to the payments, if any, the Attorney General receives from
17 Quik Cash as set out in paragraphs Nos. 8 and 9 above, the Attorney General will
18 promptly deposit the payments into the Consumer Fraud Revolving Fund for additional
19 costs and attorney's fees and for the purposes set out in § 44-1531.01(B) and (C).

20 DATED this 7th day of March, 2011.

22 Thomas C. Horne
23 Attorney General

Quik Cash; QC Holdings Inc. dba Financial
Services, Inc./Quik Cash; QC Financial
Services Inc. dba Quik Cash

25 By: Noreen R. Matts
26 NOREEN R. MATTS
27 Assistant Attorney General
28 Attorney for State of Arizona

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