

IN THE MATTER OF *THE PAYDAY LOANS ACT*,
S.S. Chapter P-4.3

AND

S.T. HOLDINGS INC., doing business as PREMIERE CASH

ORDER

WHEREAS the deputy director appointed pursuant to section 4 of *The Payday Loans Act* (the “Deputy Director”) is granted the power pursuant to section 11 of *The Payday Loans Act* (the “Act”) to:

...suspend or cancel a licence:

- (a) on any ground on which the director might have refused to issue or renew the licence pursuant to section 8;
- (b) if a licensee has failed to comply with this Act or the regulations; or

AND WHEREAS section 8 of the Act includes the following:

8(1) The director may:

- (a) issue a licence to an applicant, or renew the licence of an applicant, if the director:

...

- (iii) is satisfied that the applicant is suitable to be licensed and the proposed licensing is not for any reason objectionable; or

...

AND WHEREAS section 10 of the Act permits the Deputy Director to impose terms and conditions on a licence issued pursuant to the Act:

10(1) Subject to section 17, at the time a licence is issued or renewed, the director may impose any terms and conditions that the director considers necessary.

(2) Subject to section 17, at any time after a licence is issued, the director may do all or any of the following:

- (a) amend, modify or vary terms and conditions imposed on a licence;
- (b) impose new terms and conditions on a licence;

(c) repeal terms and conditions imposed on a licence and substitute new terms and conditions in their place.

(3) No payday lender that holds a licence shall fail to comply with the terms and conditions imposed on the payday lender's licence.

AND WHEREAS Premiere Cash had been granted a licence under the Act to carry on business as a payday lender during all material periods of time for the purposes of this Order, and currently holds a valid licence under the Act;

AND WHEREAS an inspection commencing on September 24, 2014 into Premiere Cash's payday lending activities where a pre-authorized debit ("PAD") occurred between August 1, 2013 and October 31, 2014 (the "First Inspection") revealed the following contraventions of the Act and *The Payday Loans Regulations* (the "Regulations"):

1. There were forty-three instances where Premiere Cash attempted to obtain funds from a borrower using a PAD in excess of the number of times permitted by subclause 16(2)(d)(i) of the Regulations;
2. There were 39 instances where Premiere Cash arranged for and attempted a PAD that resulted in or could have resulted in Premiere Cash collecting more than section 23 of the Act, section 14 of the Regulations, and the Loan Agreement allow;
3. There were 25 instances where Premiere Cash did not update its records to credit a borrower for a PAD payment. This is contrary to section 36 of the Act which requires Premiere Cash to keep complete and accurate records;
4. Premiere Cash could not provide 20 borrower files that had been destroyed, contrary to section 17 of the Regulations;
5. On 20 occasions after February 1, 2014 Premiere Cash reattempted a PAD more than thirty days after being notified that the initial PAD was not successful, contrary to subclause 16(2)(d)(iii) of the Regulations;
6. There were 10 instances in which Premiere Cash reattempted a PAD after February 1, 2014, for an amount that differed from the initial PAD attempt, contrary to subclause 16(2)(d)(ii) of the Regulations; and
7. Prior to February 1, 2014, Premiere Cash failed to obtain written consent for all 16 PAD reattempts, as required by clause 16(2)(d) of the Regulations then in effect.

AND WHEREAS during the course of an interview on August 26, 2015 regarding the findings from the First Inspection, Premiere Cash's principals made representations that the deficiencies found in the First Inspection had been remedied;

AND WHEREAS a second inspection consisting of a review of borrower files where PADs occurred between December 31, 2014 to September 21, 2015 was conducted (the “Second Inspection”);

AND WHEREAS the Second Inspection revealed the following contraventions of the Act and Regulations:

1. Premiere Cash reattempted one PAD more than thirty days after being notified that the initial PAD was not successful, contrary to subclause 16(2)(d)(iii) of the Regulations;
2. There were three instances in which Premiere Cash charged, or received from, a borrower more than the amount owed pursuant to the applicable loan agreement and in excess of the amount Premiere Cash was permitted to charge or receive pursuant to section 23 of the Act and section 14 of the Regulations; and
3. Premiere Cash failed to record seven successful PAD transactions in its computer system in a timely manner in contravention of section 36 of the Act.

AND WHEREAS the second inspection revealed that Premiere Cash caused four PAD transactions to occur without entering into a valid PAD agreement with the borrower for those transactions, a practice which the Deputy Director finds to be not suitable for a payday lender licensed pursuant to the Act (the “Unsuitable Practice”);

AND WHEREAS the Deputy Director, in a Notice of Opportunity to be Heard dated May 25, 2016 (the “Notice”) gave Premiere Cash notice of his intention to impose licence conditions on Premiere Cash’s payday lending licence for the purpose of winding down Premiere Cash’s payday lending activities and cancellation of Premiere Cash’s payday lending licence (the “Proposed Course of Action”);

AND WHEREAS the Deputy Director received confirmation that the Notice was received by Premiere Cash on May 26, 2016;

AND WHEREAS the Notice gave Premiere Cash the opportunity to make written or oral representations to the Deputy Director with respect to the Proposed Course of Action;

AND WHEREAS Premiere Cash confirmed in writing that it has elected not to make written or oral representations to the Deputy Director with respect to the Proposed Course of Action;

AND WHEREAS subsection 17(6) of the Act allows the Deputy Director to take the actions stated in the Notice if Premiere Cash does not make representations to the Deputy Director;

AND WHEREAS the repeated contraventions of the Act and Regulations and the Unsuitable Practice engaged in by Premiere Cash have resulted in the Deputy Director no longer being satisfied that Premiere Cash is suitable to be licensed as a payday lender;

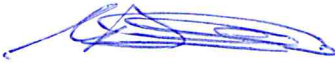
THE DEPUTY DIRECTOR HEREBY ORDERS:

1. Pursuant to section 10 of the Act the licence issued to Premiere Cash pursuant to the Act is hereby made subject to the following terms and conditions:
 - (a) As of the date of this Order Premiere Cash is not permitted to issue any loans to any borrowers.
 - (b) Premiere Cash may only collect loans that it is owed as of the date of this Order pursuant to valid and outstanding loan agreements.
 - (c) As of the date of this Order Premiere Cash is not permitted to enter into any preauthorized debit ("PAD") agreement with any borrower.
 - (d) By July 11, 2016, Premiere Cash must provide the Deputy Director with a complete and accurate list of outstanding loans with the following information included for each outstanding loan:
 - (i) borrower name;
 - (ii) loan number;
 - (iii) loan issue date;
 - (iv) loan due date;
 - (v) loan amount;
 - (vi) any loan repayments that occurred;
 - (vii) the agreed upon method of loan repayment;
 - (viii) whether there is a valid PAD agreement that remains in effect; and
 - (ix) where a PAD agreement remains in effect, whether Premiere Cash has exercised the initial attempt as set out in the PAD agreement.
 - (e) By July 11, 2016, where a PAD agreement remains in effect, Premiere Cash must provide the Deputy Director a copy of the PAD agreement.
 - (f) Premiere Cash must provide to the Deputy Director the information and material listed at 1(d) above, commencing on July 31, 2016 and on or before the last day of each month thereafter, until:
 - (i) Premiere Cash is no longer a party to any valid and outstanding loan agreements;
 - (ii) Premiere Cash has assigned all valid and outstanding loan agreements to which it is a party to a collection agent licensed to operate in Saskatchewan pursuant to *The Collection Agents Act*; or
 - (iii) Premiere Cash has undertaken to discontinue seeking payment from borrowers for all funds owed pursuant to any outstanding

loan agreements, such that there are no longer any funds owing to Premiere Cash from any borrower.

2. When the Deputy Director is satisfied that any one of the conditions listed at item 1(f)(i) – (iii) above has been fulfilled, licence number 100001 issued under the Act to Premiere Cash shall be, without the making of any further order, cancelled pursuant to section 11 of the Act.

Dated at Regina this 24th day of June, 2016.



Cory Peters
Deputy Director of Payday Loans
Province of Saskatchewan