

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

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PEOPLE OF THE STATE OF NEW YORK, by :
ELIOT SPITZER, Attorney General of :
the State of New York, :
 :
 : **VERIFIED COMPLAINT**
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 Plaintiffs, :
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 :
 -against- : Index No.
 : R.J.I. No.
 COUNTY BANK OF REHOBOTH BEACH, : Justice Assigned:
 DELAWARE, CASHNET, INC., and :
 TC SERVICES CORPORATION, d/b/a TELECASH, :
 :
 :
 Defendants. :
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Plaintiffs the People of the State of New York, by and through their attorney, Eliot Spitzer, Attorney General of the State of New York, as and for their Complaint, allege, upon information and belief, as follows:

PRELIMINARY STATEMENT

1. Pursuant to New York Executive Law (“Exec. Law”) § 63(12) and New York General Business Law (“GBL”) §§ 349, 350, plaintiffs the People of the State of New York, by Eliot Spitzer, Attorney General of the State of New York (“plaintiffs”) bring this action against defendants whom together repeatedly have engaged in illegal, fraudulent, and deceptive business practices in connection with short term loans to New York consumers. Plaintiffs seek injunctive relief, restitution, damages, penalties, and costs against defendants.

2. Defendant County Bank of Rehoboth Beach, Delaware (“County Bank”), Cashnet, Inc. (“Cashnet”) and TC Services Corporation, d/b/a Telecash (“Telecash”) (collectively “defendants”) have engaged and continue to engage in an unlawful and deceptive scheme in an attempt to circumvent New York’s usury statutes. Specifically, defendants Cashnet and Telecash

use County Bank, an FDIC insured Delaware bank, as a willing front through which they make short term, high interest loans, commonly referred to as “payday loans.”

3. Cashnet’s and Telecash’s payday loans typically carry interest rates exceeding 500%, and are illegal under New York’s usury laws, which limit the amount of interest that can be charged on a loan or forbearance of money to 16% (civil usury) and 25% (criminal usury). Defendants misrepresent these payday loans as County Bank loans in order to take advantage of the federal preemption over state interest rate regulation. Under section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 (“DIDMCA”), 12 U.S.C. § 1831d, a state chartered bank may charge interest throughout the United States at any rate permitted in its home state. As Delaware law does not limit the amount of interest its banks can charge, County Bank would be permitted to make payday loans in New York State.

4. County Bank, however, is the payday lender in name only. Cashnet and Telecash provide the capital for, market, advertise, originate, service and collect the payday loans. Cashnet and Telecash pay County Bank an annual fee to use County Bank’s name and charter to make loans, pay County Bank a small percentage of the finance charge received on each loan, and agree to indemnify County Bank for losses and liabilities (other than credit losses) arising out of the loan operation. County Bank shares none of the risk of these loans because it receives all principal plus a substantial part of the finance charge from Cashnet and Telecash within twenty four hours of the loan’s origination and prior to the loan’s repayment.

5. After the borrower receives the payday loan, Cashnet and Telecash, without any meaningful involvement of County Bank, collect additional illegal and usurious fees from borrowers as consideration for extending the term of repayment.

6. Defendants' illegal scheme has defrauded and victimized many New York consumers out of significant sums of money. Unless enjoined, defendants will continue to engage in this scheme and cause substantial injury to New York consumers.

PARTIES AND JURISDICTION

7. Plaintiffs are the People of the State of New York by their attorney, Eliot Spitzer, Attorney General of the State of New York. The Court has jurisdiction pursuant to (a) Exec. Law § 63(12), under which plaintiffs are empowered to seek injunctive relief, restitution, and damages against any person or business that engages in repeated fraud or illegality in the conduct of business, and (b) GBL Article 22-A, §§ 349 and 350, which empower the Attorney General to seek injunctive relief, restitution, and civil penalties against any person or business that engages in deceptive acts and practices or false advertising in the conduct of business.

8. Defendant County Bank of Rehoboth Beach, Delaware is a bank authorized under the laws of the State of Delaware, with its principal offices located at 4299 Highway 1, Rehoboth Beach, Delaware 19971. County Bank, through its relationships with Cashnet, Inc., TC Services Corporation, and others, is doing business in the State of New York.

9. Defendant Cashnet, Inc. is a Pennsylvania corporation with its principal offices located at 8121 York Road, Suite 200, Elkins Park, Pennsylvania 19027. Cashnet makes payday loans to New York consumers and is doing business in the State of New York. Cashnet is not licensed by the New York State Superintendent of Banking.

10. Defendant TC Services Corporation is a Pennsylvania corporation with its principal offices located at P.O. Box 915, Bala Cynwyd, Pennsylvania 19004. TC Services Corporation, d/b/a Telecash, makes payday loans to New York consumers and is doing business

in the State of New York. Telecash is not licensed by the New York State Superintendent of Banking.

11. The Attorney General has provided defendants with pre-litigation notice pursuant to GBL §§ 349(c) and 350-c.

FACTUAL ALLEGATIONS

Defendants' Payday Loan Transactions

12. Since in or about the late 1990's, Cashnet and Telecash have offered payday loans to New York consumers through radio and television advertisements, advertisements in newspapers, circulars, and inside New York City subway trains, and Internet websites. These advertisements offer short term loans of up to \$500 to consumers who have a checking account and a minimal monthly income. The advertisements emphasize that the process is quick and easy, and that consumers can get cash regardless of their credit history.

13. Many New York consumers have responded to Cashnet's and Telecash's advertisements by corresponding with them via e-mail, telephone, and/or facsimile.

14. When an employee or agent of Cashnet or Telecash speaks to an interested consumer, he or she transmits a payday loan application via facsimile to the consumer. The application typically requests information relative to the applicant's employment or other income and checking account. The application also explains how the payday loan process works. The application at times does not reference County Bank as the lender but rather identifies Cashnet or Telecash as the source of the loan.

15. When the consumer signs the application and returns it via facsimile to Cashnet or Telecash, an employee or agent of Cashnet or Telecash reviews the application and, if approved,

prepares the loan documents and transmits these documents to the consumer for execution.

16. The loan documents include a Loan Note and Disclosure Statement, a Customer Authorization Form, and a Loan Payment Instruction Form. The Loan Note and Disclosure Statement sets forth the name of the alleged lender, terms of the loan, including annual percentage rate, finance charge, amount financed, and total payments, and an itemization of the amount financed. The Customer Authorization Form sets forth some of the creditor's remedies if the borrower defaults on the loan. The Loan Payment Instruction Form explains the various options that the borrower may choose to repay the loan, including the right to extend the term of repayment by paying an additional finance charge.

17. The Customer Authorization Form and Loan Payment Instruction Form often identify Cashnet or Telecash as the source of the loan. Many of the Loan Note and Disclosure Statements reference Cashnet or Telecash by identifying the creditor as County Bank d/b/a Telecash or County Bank d/b/a Cashnet. As neither Cashnet nor Telecash are assumed business names or subsidiaries of County Bank, identifying the creditor in this manner is incorrect and misleading.

18. If the consumer signs the loan documents and transmits them via facsimile to Cashnet or Telecash, Cashnet or Telecash then arranges to have the amount of the loan minus the finance charge electronically transferred from a County Bank account through an automatic clearing house ("ACH") account into the consumer's (now "borrower's") checking account. Pursuant to the Loan Note and Disclosure Statement, the borrower agrees to repay the loan on the borrower's next payday by authorizing the creditor to debit the amount of the loan from the borrower's checking account on that day.

19. The cost of the payday loan is extremely high. Cashnet and Telecash charge a \$30 finance charge for every \$100 borrowed. Consequently, an individual who wants to borrow \$100 must apply for a \$130 loan. The annual percentage rate of the loan typically exceeds 500%.

20. Although the Loan Note and Disclosure Form states that the payday loan is due on the borrower's next payday, the Loan Payment Instruction Form provides the borrower with two additional alternative payment options (known as "rollovers"). One rollover option is to extend the re-payment period by one pay period by authorizing the creditor to debit only the amount of the finance charge from the borrower's checking account on the original payment date. If the borrower chooses that option, the creditor debits the full amount of the loan, including an additional finance charge, on the borrower's next payday. A borrower may use this payment option up to three successive times. For example, a borrower who receives a \$130 loan (\$100 loan with \$30 interest) and chooses this payment option three times would pay \$120 in finance charges (\$30 original interest payment and \$90 each rollover) for a \$100 loan.

21. The second rollover repayment option is to extend the re-payment period by one pay period by authorizing the creditor to debit the amount of the finance charge from the borrower's checking account plus a partial payment towards the loan amount of \$50 on the original payment date. If the borrower chooses this option, then the creditor debits the balance of the loan, including the finance charge, on the borrower's next payday. A borrower may use this payment option until the loan is repaid.

22. Many New York consumers have been unable to repay their loan as scheduled and have been forced to extend their re-payment periods in accordance with the alternative rollover payment options described above. In fact, almost half of the transactions entered into by

New York consumers in which County Bank has been involved have resulted in consumer rollovers of their loan pursuant to one of the alternative rollover payment options described above.

23. A borrower can rollover their loan by contacting Cashnet or Telecash three days prior to the borrower's next payday. Cashnet and Telecash treat the rollover as a new loan and transmit via facsimile to the borrower another Loan Note and Disclosure Form for the borrower to execute. The subsequent Loan Note and Disclosure Form contains the same terms as were contained in the borrower's initial Loan Note and Disclosure Form. The sole distinction between the two Forms is that the initial Loan Note and Disclosure Form states that the proceeds are to be paid into the borrower's bank account, whereas the subsequent Form states that the proceeds are to be paid directly to the borrower.

24. Despite its characterization by defendants, the rollover is not a new loan. Rather, it is a forbearance on the re-payment of the initial loan. Indeed, the initial loan documents expressly authorize the borrower to extend re-payment by rolling-over the loan. In addition, prior to the origination of the rollover loan, the borrower is not required to submit a new loan application or undergo any credit review. Moreover, despite the representation on the Loan Note and Disclosure Form that the proceeds of the "new" loan are to be paid directly to the borrower, the rollover loan does not, in fact, result in any payment of money to or on behalf of the borrower.

County Bank's "Rent-A-Bank" Agreements

25. Despite defendants' attempts to cloak the payday loans and subsequent rollovers as County Bank loans, County Bank is the creditor in name only.

26. In 1990, County Bank was chartered in the State of Delaware and began doing business. It has seven branch locations, all located in the State of Delaware. Although County Bank is a full service bank that offers its customers a variety of services, including many types of loans, it does not offer payday loans to its customers, nor can customers obtain a payday loan at any of its branches.

27. In the late 1990's, County Bank began entering into agreements with companies such as Cashnet and Telecash, whereby, for an annual fee of \$4,000 and other consideration, County Bank allows these companies to make payday loans -- and forbearances of these loans -- in County Bank's name.

28. Under their agreements with County Bank, Cashnet and Telecash advertise, market, originate, service, and collect the payday loans. Although it is made to appear that the proceeds of the payday loan are funded with money maintained in a County Bank account (which is then transferred electronically into the borrower's account), Cashnet and Telecash actually provide the capital for these loans.

29. Indeed, the agreements between County Bank and Cashnet and Telecash allow Cashnet and Telecash to purchase--within twenty-four hours of each loan--an 85% to 95% participation interest in the loan. In almost all, if not all, payday loans made to New York consumers, Cashnet and Telecash exercise this participation option. As the interest rates of the payday loans are so high, Cashnet's and Telecash's participation interest always exceed the proceeds actually disbursed to the borrowers. For example, a borrower who obtains a \$100 loan with a \$30 interest payment will have \$100 electronically credited into his or her bank account. When Cashnet or Telecash purchases an 85% interest in that \$130 total loan, it pays County

Bank \$110.50 for the right to collect the full loan amount from the borrower.

30. Once Cashnet or Telecash purchases its participation interest in the loan, it becomes the creditor for each subsequent forbearance of the loan, notwithstanding the fact that borrowers receive a “County Bank” loan note prior to each forbearance. Indeed, the characterization of these transactions as County Bank loans is inconsistent with and contrary to the fact that (a) the finance charge imposed on the forbearance is payable to Cashnet or Telecash; (b) County Bank does not fund any money to or on behalf of the borrower in connection with the rollover; and (c) County Bank does not require the borrower to submit a loan application or undertake any credit review prior to the transaction.

31. County Bank has relationships similar to those described above with numerous companies other than Cashnet and Telecash. These companies make loans throughout the country and account for a large percentage of all payday loans. For example, in 2000, companies using County Bank’s charter made over 15,000 payday loans, totaling almost \$30 million dollars in five Eastern states (including New York) alone.

32. County Bank has an artificial and contrived role in payday loan operations. County Bank does not make payday loans, nor does it supervise, manage, or control the payday loan operation carried out in its name by Cashnet, Telecash, and other companies. Indeed, despite the enormity of its alleged payday lending operation, County Bank claims to devote only two employees to this aspect of its business. Rather, County Bank rents its name and charter so that Cashnet, Telecash, and other companies may use County Bank to claim preemption over state usury laws. In so doing, County Bank, Cashnet, and Telecash have violated the laws of this State and defrauded many New York consumers out of thousands of dollars in unearned and

illegal fees.

CAUSES OF ACTION AGAINST DEFENDANTS CASHNET AND TELECASH

**FIRST CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
VIOLATION OF GENERAL OBLIGATIONS LAW § 5-501 CIVIL USURY**

33. Pursuant to New York General Obligations Law (“GOL”) § 5-501, it unlawful to charge interest upon the loan or forbearance of any money, goods, or things in action, except as otherwise provided by law, at a rate exceeding that prescribed in section fourteen-a of the New York Banking Law.

34. New York Banking Law § 14-a, subd. 2, states that the maximum rate of interest to be charged, taken, or received upon a loan or forbearance of any money, goods, or things in action is sixteen per centum per annum (16%).

35. As set forth more fully in paragraphs 1 through 34 above and incorporated by reference herein with the same force and effect as if restated herein, in the course of making payday loans to consumers in New York, defendants Cashnet and Telecash repeatedly charge and receive interest in excess of 16%, in violation of GOL § 5-501 and New York Banking Law § 14-a, subd. 2.

36. Defendants Cashnet’s and Telecash’s repeated violations of GOL § 5-501 constitute repeated illegality in violation of Exec. Law § 63(12).

37. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**SECOND CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
VIOLATION OF PENAL LAW § 190.40 CRIMINAL USURY**

38. Pursuant to New York Penal Law § 190.40, it is unlawful to knowingly charge, take, or receive any money or other property as interest on the loan or forbearance of any money or other property at a rate exceeding twenty-five per cent per annum (25%) or the equivalent rate for a longer or shorter period.

39. As set forth more fully in paragraphs 1 through 38 above and incorporated by reference herein with the same force and effect as if restated herein, in the course of making payday loans to consumers in New York, defendants Cashnet and Telecash repeatedly and knowingly charge and receive interest in excess of 25% in violation of § 190.40 of the Penal Law.

40. Defendants Cashnet's and Telecash's repeated violations of Penal Law § 190.40 constitute repeated illegality in violation of Exec. Law § 63(12).

41. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**THIRD CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
VIOLATION OF BANKING LAW § 340 UNLICENCED LENDING**

42. Pursuant to New York Banking Law § 340, it is unlawful for a person or entity to “engage in the business of making loans in the principal amount of twenty-five thousand dollars or less for any loan to an individual for personal, family, household, or investment purposes . . . and charge, contract for, or receive a greater rate of interest than the lender would be permitted by law to charge if he were not a licensee hereunder except as authorized by this article and without first obtaining a license from the superintendent.”

43. At all times relevant to this Complaint, defendants Cashnet and Telecash were not licensed by the New York State Superintendent of Banking.

44. As set forth more fully in paragraphs 1 through 43 above and incorporated by reference herein with the same force and effect as if restated herein, in the course of making payday loans to consumers in New York, defendants Cashnet and Telecash repeatedly make loans in amounts less than twenty-five thousand dollars at interest rates that exceed the rate of interest they would be permitted by law to charge if they were licensed by the New York State Superintendent of Banking.

45. Defendants Cashnet's and Telecash's repeated violations of Banking Law § 340 constitute repeated illegality in violation of Exec. Law § 63(12).

46. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**FOURTH CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
REPEATED FRAUDULENT BUSINESS CONDUCT**

47. Pursuant to Exec. Law § 63(12), it is illegal for a business to engage in repeated fraudulent business conduct.

48. As set forth more fully in paragraphs 1 through 47 above and incorporated by reference herein with the same force and effect as if restated herein, in the course of marketing, advertising, originating, servicing, and funding payday loans, defendants Cashnet and Telecash have engaged in repeated fraudulent conduct in violation of Exec. Law § 63(12).

49. Defendants Cashnet's and Telecash's repeated fraudulent business conduct includes, but is not limited to, the following:

- (a) repeatedly conspiring with County Bank to charge illegal, usurious, and

unconscionable fees for payday loans;

(b) repeatedly charging and receiving unlawful, usurious, and unconscionable fees as consideration for making payday loans and forbearances;

(c) repeatedly attempting to circumvent New York lending and consumer protection laws by deceptively entering into an arrangement with County Bank; and

(d) repeatedly misrepresenting to consumers that the payday loans are made and held by County Bank when Cashnet and Telecash have the ownership, liability, and collection authority over all the loans.

50. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**FIFTH CAUSE OF ACTION PURSUANT TO
GENERAL BUSINESS LAW § 349
DECEPTIVE BUSINESS PRACTICES**

51. Pursuant to GBL § 349, it is unlawful to engage in any deceptive acts or practices in the conduct of any business, trade, or commerce in this State.

52. As set forth more fully in paragraphs 1 through 51 above and incorporated by reference herein with the same force and effect as if restated herein, defendants Cashnet and Telecash engage in deceptive business practices in violation of GBL § 349.

53. Defendants Cashnet's and Telecash's deceptive acts and practices include, but are not limited to, the following:

(a) repeatedly conspiring with County Bank to charge illegal, usurious, and unconscionable fees for payday loans;

(b) repeatedly charging and receiving unlawful, usurious and unconscionable fees as

consideration for making payday loans and forbearances;

(c) repeatedly attempting to circumvent New York lending and consumer protection laws by deceptively entering into an arrangement with County Bank; and

(d) repeatedly misrepresenting to consumers that the payday loans are made and held by County Bank when Cashnet and Telecash have the ownership, liability, and collection authority over all the loans.

54. Pursuant to GBL §§ 349(b) and 350-d, plaintiffs seek injunctive relief, restitution, and penalties.

**SIXTH CAUSE OF ACTION PURSUANT TO
GENERAL BUSINESS LAW § 350 FALSE ADVERTISING**

55. Pursuant to GBL § 350, it is unlawful to engage in false advertising in the conduct of any business, trade, or commerce in this State.

56. As set forth more fully in paragraphs 1 through 55 above and incorporated by reference herein with the same force and effect as if restated herein, defendants Cashnet and Telecash repeatedly and persistently engage in false advertising in violation of GBL § 350 by repeatedly misrepresenting to consumers that the payday loans are made and held by County Bank when they have the ownership, liability, and collection authority over all the loans.

57. Pursuant to GBL §§ 350(b) and 350-d, plaintiffs seek injunctive relief, restitution and penalties.

CAUSES OF ACTION AGAINST COUNTY BANK

**SEVENTH CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
VIOLATION OF PENAL LAW § 115 CRIMINAL FACILITATION**

58. ___ Pursuant to New York Penal Law § 115, it is unlawful to render aid to a person and engage in conduct which provides a person with means or opportunity to commit a felony and which in fact aids such person to commit a felony believing it probable that such person intends to commit a crime.

59. As set forth more fully in paragraphs 1 through 58 above and incorporated by reference herein with the same force and effect as if restated herein, in the course of making payday loans to consumers in New York, defendant County Bank renders aid to defendants Cashnet and Telecash and engages in conduct which provides defendants Cashnet and Telecash with means and opportunity to commit the felony of criminal usury under New York Penal Code § 190.40 and which in fact aids defendants Cashnet and Telecash to commit criminal usury believing it probable that they intend to commit criminal usury.

60. Defendant County Bank's repeated violations of Penal Law § 115 constitute repeated illegality in violation of Exec. Law § 63(12).

61. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**EIGHTH CAUSE OF ACTION PURSUANT TO EXEC. LAW § 63(12)
REPEATED FRAUDULENT BUSINESS CONDUCT**

62. Pursuant to Exec. Law § 63(12), it is illegal for a business to engage in repeated fraudulent business conduct.

63. As set forth more fully in paragraphs 1 through 62 above and incorporated by

reference herein with the same force and effect as if restated herein, in the course of its payday loans, defendant County Bank engages in repeated fraudulent conduct in violation of Exec. Law § 63(12).

64. Defendant County Bank's repeated fraudulent business conduct includes, but is not limited to, the following:

(a) repeatedly conspiring with and aiding and abetting others, including Cashnet and Telecash, to charge illegal, usurious, and unconscionable fees for payday loans;

(b) repeatedly attempting to circumvent and aiding and abetting others, including Cashnet and Telecash, to circumvent New York lending and consumer protection laws by deceptively entering into an arrangement with others, including Cashnet and Telecash; and

(c) repeatedly misrepresenting and aiding and abetting others, including Cashnet and Telecash, to misrepresent that County Bank has ownership of and liability and collection authority for payday loans and forbearances that are arranged, made, serviced, and collected by others, including Cashnet and Telecash;

65. Pursuant to Exec. Law § 63(12), plaintiffs seek injunctive relief, restitution, and damages.

**NINTH CAUSE OF ACTION PURSUANT TO
GENERAL BUSINESS LAW § 349
DECEPTIVE BUSINESS PRACTICES**

66. Pursuant to GBL § 349, it is unlawful to engage in any deceptive acts or practices in the conduct of any business, trade, or commerce in this State.

67. As set forth more fully in paragraphs 1 through 66 above and incorporated by reference herein with the same force and effect as if restated herein, defendant County Bank

engages in deceptive business practices in violation of GBL § 349.

68. Defendant County Bank's deceptive business practices include, but are not limited to, the following:

(a) repeatedly conspiring with and aiding and abetting others, including Cashnet and Telecash, to charge illegal, usurious, and unconscionable fees for payday loans;

(b) repeatedly attempting to circumvent and aiding and abetting others, including Cashnet and Telecash, to circumvent New York lending and consumer protection laws by deceptively entering into an arrangement with others, including Cashnet and Telecash; and

(c) repeatedly misrepresenting and aiding and abetting others, including Cashnet and Telecash, to misrepresent that County Bank has ownership of and liability and collection authority for payday loans and forbearances that are arranged, made, serviced, and collected by others, including Cashnet and Telecash;

69. Pursuant to GBL §§ 349(b) and 350-d, plaintiffs seek injunctive relief, restitution, damages, and penalties.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs request that the Court grant relief pursuant to Exec. Law § 63(12) and GBL §§ 349, 350 by issuing an order and judgment as follows:

1. Permanently enjoining defendants Cashnet and Telecash from advertising, marketing, offering, making, and arranging loans to New York consumers that violate the lending and consumer protection laws in this State;

2. Permanently enjoining defendant County Bank from expressly or implicitly authorizing third parties from advertising, marketing, offering, making, or arranging loans to New York consumers in County Bank's name;

3. Declaring null and void any loan or forbearance offered, made, or arranged by Cashnet or Telecash, in the name of County Bank, that charged an interest rate exceeding the maximum rate that licensed lenders are permitted to charge or receive under New York State law;

4. Directing defendants County Bank, Cashnet, and Telecash to make restitution to each New York consumer from whom it received interest in excess of the amount that a licensed lender would have been permitted to charge or receive under New York State law, in the amount of the excess interest received from the consumer;

5. Directing defendants County Bank, Cashnet, and Telecash to pay damages to consumers injured as a result of defendants' unlawful and fraudulent business practices;

6. Directing County Bank, Cashnet, and Telecash, jointly and severally, to pay a civil penalty in the sum of \$500.00 to the State of New York for each violation of GBL §§ 349 and 350, pursuant to GBL § 350-d;

7. Awarding plaintiffs the costs and disbursements of this action, including additional costs in the amount of \$2,000.00 against each defendant pursuant to CPLR § 8303(a)(6); and

8. Granting plaintiffs such other and further relief as this Court deems just and proper.

Dated: September 23, 2003
Albany, New York

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