

OCCC CASE NO. L25-034

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| IN THE MATTER OF: | § | BEFORE THE |
| | § | |
| MASTER FILE NO.: 1400031541 | § | OFFICE OF CONSUMER |
| COTTONWOOD FINANCIAL TEXAS LLC | § | |
| d/b/a THE CASH STORE | § | CREDIT COMMISSIONER |
| 2100 W. WALNUT HILL LANE, SUITE 300 | § | |
| IRVING, TEXAS 75038 | § | STATE OF TEXAS |

ORDER TO FURNISH INFORMATION AND ALLOW INVESTIGATION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Furnish Information and Allow Investigation against Cottonwood Financial Texas LLC d/b/a The Cash Store (“The Cash Store”) based on the violations of law described below.¹

Statement of Facts and Law

Under Chapter 393 of the Texas Finance Code, a credit services organization must obtain a license for each location at which the organization operates as a credit access business.² A credit access business is a credit services organization that obtains for a consumer, or assists a consumer in obtaining, a payday or title loan.³

The Cash Store is a credit services organization that is licensed to act as a credit access business under Chapter 393 of the Texas Finance Code. The Cash Store operates under master file number 1400031541 at 64 licensed locations. The Cash Store’s designated compliance officer is Jonathan Hyman, and its designated contact address is 2100 W. Walnut Hill Lane Suite 300, Irving, Texas 75038.

¹ Tex. Fin. Code § 14.208.

² Tex. Fin. Code § 393.603.

³ Tex. Fin. Code § 393.601(2), (3), (5).

Under Chapter 393 of the Texas Finance Code, a credit access business must maintain net assets of \$25,000 for each licensed location.⁴ Under Chapter 14 of the Finance Code, if the OCCC receives reasonable cause to believe that a person is violating Chapter 393, then the OCCC may require the person to furnish information and may conduct an investigation to discover a violation or obtain required information.⁵

In February 2024, The Cash Store, its parent company (Cottonwood Financial Ltd.), and other affiliated companies filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code.⁶ Based on this filing, the OCCC attempted to conduct an investigation of The Cash Store, in order to determine whether the company was maintaining net assets required by statute.

On August 6, 2024, the OCCC sent a request for information to The Cash Store. The request instructed The Cash Store to provide a statement of the dollar amount of net assets currently held by the company, a statement regarding compliance with the statutory net asset requirement, revised financial statements and supporting documents, and any revised business operating plan. On September 13, the OCCC sent a second request for the same information, instructing The Cash Store to respond no later than September 27, 2024. The Cash Store did not respond to either request for information.

Authority

If the Consumer Credit Commissioner (“Commissioner”) has reasonable cause to believe that a person is violating Chapter 14 of the Texas Finance Code, the Commissioner may issue an order to cease and desist from the violation, to take affirmative action, or both to ensure compliance.⁷

The Commissioner has reasonable cause to believe that The Cash Store has violated Chapter 14 of the Texas Finance Code by failing to respond to the OCCC’s requests for information, and by failing to allow the OCCC to conduct an investigation of The Cash Store’s records.

⁴ Tex. Fin. Code § 393.611.

⁵ Tex. Fin. Code § 14.202.

⁶ *In re Cottonwood Financial Texas LLC d/b/a Cash Store*, case no. 24-80038-SWE11 (Bankr. N.D. Tex. 2024).

⁷ Tex. Fin. Code § 14.208(a).

Order

IT IS ORDERED that:

1. The Cash Store must cease and desist failing to respond to the OCCC's requests for information.
2. The Cash Store must cease and desist failing to allow the OCCC to investigate its records.
3. **No later than 30 days after the date of this Order**, The Cash Store must provide the OCCC with all information listed in the OCCC's requests for information sent on August 6, 2024, and September 13, 2024. The information must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.⁸ A violation of this Order may also result in suspension or revocation of your credit access business licenses.⁹

Right to Request Hearing

You have the right to request a hearing regarding this Order.¹⁰ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.¹¹ You must send your request to Matthew Nance, General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to matthew.nance@occc.texas.gov.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹² If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.¹³

⁸ Tex. Fin. Code § 14.208(c).

⁹ Tex. Fin. Code § 393.614.

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(b).

¹³ Tex. Fin. Code § 14.208(c).

All communications with the OCCC concerning this matter must be through Matthew Nance, General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7660, or by email to matthew.nance@occc.texas.gov.

Signed this 13th day of December, 2024.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

CERTIFICATE OF SERVICE

I certify that on December 13, 2024, a true and correct copy of this Order to Furnish Information and Allow Investigation has been sent to Cottonwood Financial Texas LLC d/b/a The Cash Store by the following:

Cottonwood Financial Texas LLC
Attn: Johnathan Hyman,
Compliance Officer
2100 W. Walnut Hill Lane, Suite 300
Irving, TX 75038
jhyman@cottonwoodfinancial.com

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
#9214 8901 9403 8300 0091 4645 99

Cottonwood Financial Texas LLC
Attn: CT Corporation System,
Registered Agent
350 N. St. Paul St., Ste. 2900
Dallas, TX 75201

- email
- eFileTexas.gov electronic service
- regular mail
- certified mail, return receipt requested
#9214 8901 9403 8300 0091 4646 05

/s/ Matthew Nance
Matthew J. Nance
General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24074794
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