

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

COMMISSIONERS: William E. Kovacic, Chairman  
Pamela Jones Harbour  
Jon Leibowitz  
J. Thomas Rosch

\_\_\_\_\_  
)  
)  
**In the Matter of** )  
)  
**American Cash Market, Inc.,** )  
**a corporation** )  
)  
)  
)  
)  
\_\_\_\_\_ )

DOCKET NO. C-4221

COMPLAINT

The Federal Trade Commission, having reason to believe that American Cash Market, Inc., a corporation ("respondent") has violated the provisions of the Truth in Lending Act, 15 U.S.C. §§1601-1667, as amended, and its implementing Regulation Z, 12 C.F.R. §226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

- 1. Respondent American Cash Market, Inc., is a corporation with its principal office or place of business at 2207 S. Sepulveda Blvd., Los Angeles, CA 90064.
- 2. Respondent has disseminated advertisements to the public that promote extensions of closed-end credit in consumer credit transactions, as the terms "advertisement," "credit," "closed-end credit," and "consumer credit" are defined in Section 226.2 of Regulation Z, 12 C.F.R. §226.2, as amended.
- 3. Respondent offers credit to consumers in the form of payday loans. Credit is defined as "the right to defer payment of debt or to incur debt and defer its payment." Section 226.2 of Regulation Z, 12 C.F.R. §226.2, as amended. Credit includes "a transaction in which a cash

will not be debited, until a designated future date. This type of transaction is often referred to as a ‘payday loan’ or ‘payday advance’ or ‘deferred-presentment loan.’” Comment 2 to Section 226.2(a)(14) of the Official Staff Commentary to Regulation Z; 12 C.F.R. Section 226.2(a)(14)-2, Supp.1, as amended. Payday loans have high rates and short repayment periods; they are often due on the borrower’s next payday, usually about every two weeks.

4. Respondent has disseminated or has caused to be disseminated payday loan advertisements on the Internet, including but not necessarily limited to the attached Exhibit 1.

A. The advertisement states that “Americancashmarket.com can provide you with payday loan and cash advance between \$50 and \$255. . . repayable including financial charges on your next payday.”

B. The advertisement states that the fee for a \$50 loan is \$8.82, the fee for a \$100 loan is \$17.65, the fee for a \$150 loan is \$26.47, the fee for a \$200 loan is \$35.29, and the fee for a \$255 loan is \$45.

5. For any of the loans and corresponding fees described above, repayable in a typical pay period of 14 days, the APR would be 460%.

#### Failure to Disclose Information Required by TILA

6. In credit advertisements, including but not necessarily limited to Exhibit 1, respondent has stated the number of payments or period of repayment and/or the amount of any finance charge, as terms for obtaining consumer credit in the form of a payday loan.

7. These advertisements have failed to disclose the “annual percentage rate” or “APR” using that term as required by Regulation Z.

8. Respondent’s practices have violated Section 144 of the Truth in Lending Act (“TILA”), 15 U.S.C. §1664, and Section 226.24(c) of Regulation Z, 12 C.F.R. §226.24(c).

THEREFORE, the Federal Trade Commission this third day of June, 2008, has issued this complaint against respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: