

STATE OF MAINE  
OFFICE OF SECURITIES  
121 STATE HOUSE STATION  
AUGUSTA, ME 04333

IN RE  
David Elliot L'Hoir PayDay Today! U.S.A., Inc.  
and PayDay Today! U.S.A. Com, Inc.

CEASE AND DESIST  
ORDER  
01-073

FINDINGS OF FACTS AND CONCLUSIONS OF LAW

1. Elliot L'Hoir (hereinafter referred to as "L'Hoir") is the founder and current President and Chief Executive Officer of PayDay Today! U.S.A. Inc. and PayDay Today! U.S.A. Com, Inc. (hereinafter collectively referred to as "PayDay"). PayDay is incorporated pursuant to the laws of the State of Nevada. PayDay operates a chain of financial centers in Southern California and has a national loan processing center in Fort Lauderdale, Florida. PayDay operates through an internet website address at [www.paydaytodayusa.com](http://www.paydaytodayusa.com) and advertises itself as having retail-affiliated stores nationwide.
2. PayDay is in the business of offering deferred deposit loans to consumers. These loans are small, unsecured loans that require repayment within a relatively short time period. In a PayDay loan transaction, the consumer provides PayDay with a personal check and receives cash less the interest and fees charged by PayDay. The check is then held for a scheduled period of time, generally until the consumer's next payday, or a one or two-week period, hence the term "payday" loan. PayDay consumers are charged annual fees that average 360% of the debt principal.
3. In or about March 2001, a Maine resident was solicited by telephone by L'Hoir to invest monies in PayDay.
4. Shortly thereafter, this Maine resident received in the mail a package of investment material relating to PayDay. In this material, L'Hoir represented that he was offering a "4% monthly return collateralized by receivable (Customer Checks)" in return for a minimum investment in PayDay of \$10,000. L'Hoir further represented that he was seeking investors in order to raise capital of \$2,000,000 for PayDay.

Pursuant to L'Hoir's investment scheme, investors obtain a note and retain the option of retiring this note provided that 90 days' notice is given.

5. By letter dated March 15, 2001, the Maine resident who had been solicited by L'Hoir, wrote to the Securities Division to advise of L'Hoir's solicitation and provided the Securities Division with the package sent by L'Hoir.
6. As a result of becoming aware of this solicitation, the Securities Division wrote to L'Hoir by letter dated April 30, 2001 notifying him that, pursuant to the Revised Maine Securities Act, 32 M.R.S.A. 10101 et seq. ("the Act"), it is unlawful for anyone to sell or offer to sell any security in Maine unless the security is registered, or the security or transaction is exempt from registration under the Act. The Securities Division further notified L'Hoir that it is also unlawful under the Act to transact business in Maine as a broker-dealer or sales representative unless licensed or exempt from licensing. Furthermore, the Securities Division notified L'Hoir that misrepresentations and omissions of material fact made in connection with an offer and sale of securities constitute fraud under the Act.
7. In this letter, the Securities Division requested L'Hoir to review his records and provide the Securities Division with a list of all Maine residents with whom L'Hoir has had contact at any time in connection with the offer or sale of PayDay notes.
8. Furthermore, the Securities Division notified L'Hoir that, until he complied with Maine law, he should cease soliciting sales of PayDay notes.
9. L'Hoir has failed to respond to the Securities Division's letter dated April 30, 2001. In particular, L'Hoir has failed to provide the Securities Division with a list of all Maine residents with whom L'Hoir has had contact in connection with the offer or sale of PayDay notes or an assurance that he will cease soliciting Maine residents for sales of PayDay notes.
10. The solicitation and pooling of investors' monies with the expectation that the investors will receive a return on their monies as a result of investing in PayDay constitutes an investment contract. An investment contract is a security under 32 M.R.S.A. §10501 (18).
11. It is unlawful to offer or sell any security in Maine unless the security is registered, is exempt from registration or is a federal covered security under 32 M.R.S.A. §10401.
12. The Securities Division has no record that PayDay securities have been registered for offer or sale in Maine. Furthermore, the Securities Division is not aware of any applicable exemption from registration for which PayDay securities might qualify, nor are the securities federal covered securities.

13. It is unlawful for any person to transact business in Maine as a broker-dealer in Maine unless the broker-dealer is licensed or exempt from licensing under 32 M.R.S.A. §10301(2). The Securities Division has no record that either L'Hoir or PayDay is licensed as a broker-dealer in Maine.
14. It is unlawful for any person to transact business in Maine as a sales representative unless licensed or exempt from licensing under 32 M.R.S.A. §10301 (2). The Securities Division has no record that L'Hoir is licensed as a sales representative in Maine and it is not aware of any applicable exemption from licensing for which he might qualify.
15. For the reasons stated above, the Securities Administrator reasonably believes that L'Hoir and PayDay have engaged, are engaging or are about to engage in any act or practice constituting violations of the Revised Maine Securities Act.
16. On September 18, 2001, the Securities Administrator issued a Notice of Intent to Issue a Cease and Desist Order. The Notice gave the respondents thirty (30) days to request a hearing on the matter. To date, no hearing has been requested.

FINAL ORDER

Now, therefore it is ORDERED that L'Hoir and PayDay immediately CEASE AND DESIST from violating any provisions of the Revised Maine Securities Act.

Pursuant to 32 M.R.S.A. § 10708, this is a final order, entered after notice and opportunity for hearing. Pursuant to 32 M.R.S.A. § 10709, a party to this order may obtain judicial review of the order in Kennebec County Superior Court by filing a petition within thirty (30) calendar days after receipt of the order, in accordance with 5 M.R.S.A. § 1101 et sq. and Rule 80C of the Maine Rules of Civil Procedure.

10/18/2001

*Christine A. Bruenn*

Date: \_\_\_\_\_

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Christine A. Bruenn  
Securities Administrator