



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Financial Practices
Bureau of Consumer Protection

Peggy Twohig
Associate Director

May 18, 2009

VIA FIRST-CLASS MAIL

Claudia Callaway, Esq.
Manatt, Phelps & Phillips, LLP
700 12th Street, N.W., Suite 1100
Washington, D.C. 20005

Re: Sunshine Advance Corporation
Matter No. 072-3211

Dear Ms. Callaway:

As you know, the staff of the Federal Trade Commission (“FTC”) conducted an investigation of Sunshine Advance Corporation (“Sunshine Advance”) focusing primarily on possible violations of Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45 *et seq.* On its websites, Sunshine Advance advertises and accepts applications for payday loans, and then sells the consumer “lead” information it gathers to others that extend the loans to consumers. The FTC’s investigation concerned Sunshine Advance’s on-line advertising of prepaid debit cards on behalf of a third-party seller of the cards.

Over the past several years, Sunshine Advance advertised prepaid debit cards for third-parties on its websites. As consumers went through the process of submitting applications for a payday loan, advertisements offering consumers prepaid debit cards would appear on Sunshine Advance’s websites. The third-parties selling the debit cards paid Sunshine Advance on a per-lead basis for each consumer or potential consumer referred to them.

FTC staff’s investigation focused on a particular offer of a prepaid debit card. In 2006 and 2007, consumers who were entering information to apply for a payday loan on Sunshine Advance’s website may have received this debit card offer. The offer did not clearly and prominently disclose that consumers would be charged approximately \$40 or \$50 for the card, and may have been near other offers of free items. In addition, like many of the free offers, the debit card offer had “Yes” pre-checked as a default for all consumers who were applying for a payday loan. FTC staff was concerned that the manner in which this offer may have been made could deceive consumers as to whether they were also accepting an offer of the prepaid debit card when they applied for a payday loan.

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Your client has maintained that this particular offer was never actually live on its website. Following an investigation, the FTC staff is not aware of any information demonstrating that this offer was ever displayed live for consumers on Sunshine Advance's websites. In light of this, we have determined not to recommend enforcement action at this time. Nevertheless, we emphasize that it is important that Sunshine Advance exercise care in the future to disclose clearly and prominently on its websites the information about its offers that consumers need to not be deceived.

The closing of this investigation is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,


Peggy L. Twohig
Associate Director
Division of Financial Practices