



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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## **FDIC Announces Settlements With First California Bank (FCB), Westlake Village, California, and Achieve Financial Services, LLP (Achieve), Austin, Texas**

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) announced settlements with First California Bank (FCB), Westlake Village, California, and Achieve Financial Services, LLP (Achieve), Austin, Texas, for unfair and deceptive practices in violation of Section 5 of the Federal Trade Commission Act (Section 5) and violations of the Treasury Rule, 31 C.F.R. § 210, governing the use of the Automated Clearing House system to deliver federal benefit payments to prepaid debit cards. Under the settlements, each entity has agreed to a Consent Order, Order for Restitution, and Order to Pay Civil Money Penalty (collectively, Orders). Achieve and FCB have agreed to provide restitution of approximately \$1.1 million to over 64,000 cardholders. In addition, the FDIC has assessed civil money penalties of \$600,000 against FCB and \$110,000 against Achieve.

The FDIC determined that Achieve and FCB engaged in unfair and deceptive practices in violation of Section 5 in the marketing and servicing of the AchieveCard, a prepaid, reloadable MasterCard. A number of the representations and omissions on Achieve's website were deceptive, such as advertising free online bill pay, promoting certain features and services of the AchieveCard that were not available to cardholders, and charging fees that were not clearly disclosed. Achieve's error resolution procedures imposed additional, undisclosed requirements on cardholders. For applicable consumers, these additional, undisclosed requirements and the failure to provide other appropriate protections violated both Section 5 and the Treasury Rule.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-45-2013

Achieve has agreed to provide restitution to all affected consumers. The restitution timeframe is from April 2011 to January 2013. FCB is ultimately liable for any restitution unpaid or any restitution obligation unfulfilled by Achieve. Achieve will send reimbursements without requiring any action by affected consumers.

The Orders direct FCB and Achieve not to engage further in any violations of law and set forth specific actions each must take to correct the identified violations of law. The Orders also require FCB and Achieve to strengthen their compliance management systems and to make periodic progress reports to the FDIC to ensure corrective action. FCB is further required to strengthen its oversight of third parties. Achieve is an institution-affiliated party of FCB.

In agreeing to the issuance of the Orders, FCB and Achieve do not admit or deny any liability. Copies of the FDIC's Orders issued against FCB and Achieve are attached.

Achieve - Consent Order, Order for Restitution, and Order to Pay Civil Money Penalty (PDF Help)

FCB - Consent Order, Order for Restitution, and Order to Pay Civil Money Penalty (PDF Help)

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