

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF BUSINESS OVERSIGHT**

4 TO: City Title Loan, LLC d.b.a. City Loan
5 3431 Cherry Avenue
6 Long Beach, California 90807

7 **DESIST AND REFRAIN ORDER**
8 **(For violations of California Code of Regulations, Title 10, Section 1451)**

9 The Commissioner of Business Oversight (Commissioner) finds that:

10 1. City Title Loan, LLC d.b.a. City Loan (City Loan) is a finance lender and broker
11 licensed by the Commissioner on or around August 23, 2011, pursuant to the California Finance
12 Lenders Law, Financial Code section 22000 *et seq.* (CFL).

13 2. City Loan's main office (license number 603-I940) is located at 3431 Cherry Avenue,
14 Long Beach, California 90807.

15 3. On or around July 14, 2015, the Commissioner commenced a regulatory examination
16 of City Loan pursuant to Financial Code section 22701 (July 2015 Regulatory Exam). The July 2015
17 Regulatory Exam disclosed that from at least 2013 through 2016 City Loan compensated unlicensed
18 persons or companies who were not employees regularly employed at City Loan's licensed place of
19 business for soliciting or accepting applications for loans, including, but not limited to, the following:

20 a. From at least March 2014 through August 2014, Best Valley Loans, Inc. (Best
21 Valley), an unlicensed company not regularly employed at City Loan's licensed place of business,
22 solicited or accepted applications for loans via its website, Facebook page, and a YouTube video
23 located at <https://www.youtube.com/watch?v=mGtAVV2jN9o>. City Loan compensated Best Valley
24 a combined total of approximately \$6,400.00 for referrals of consumers.

25 b. From around August 2013 through November 2014, Bartor Express, Inc.
26 (Bartor Express), an unlicensed company not regularly employed at City Loan's licensed place of
27 business, advertised and solicited applications for loans on its website, www.bartorexpress.com,
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1 which is no longer operational. City Loan paid Bartor Express an estimated \$5,800.00 in
2 compensation, described as a “marketing fee,” for approximately 14 referrals of consumers.

3 c. From at least September 2012 through May 2013, City Loan paid “referral
4 fees” and/or “loan commissions” to unlicensed sole proprietors not regularly employed at City Loan’s
5 licensed place of business, totaling approximately \$6,278.00 in compensation, for referrals of
6 approximately 17 consumers that resulted in “funded deals.”

7 4. The Commissioner is authorized to pursue administrative actions and remedies against
8 persons and licensees who engage in violations of the CFLL.

9 5. California Code of Regulations, title 10, section 1451, subsection (c) provides, in
10 relevant part:

11 No finance company shall pay any compensation to an unlicensed person
12 or company for soliciting or accepting applications for loans, except for
13 an employee regularly employed at a licensed place of business of the
finance company

14 6. Financial Code section 22712, subdivision (a) provides in relevant part:

15 Whenever, in the opinion of the commissioner, . . . any licensee violates
16 any provision of this division, any provision of an order, or any regulation
17 adopted pursuant to this division, the commissioner may order that person
18 or licensee to desist and to refrain from engaging in the business or further
19 continuing that violation. If, within 30 days after the order is served, a
written request for a hearing is filed and no hearing is held within 30 days
thereafter, the order is rescinded

20 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that
21 City Title Loan, LLC d.b.a. City Loan violated California Code of Regulations, title 10, section 1451,
22 subsection (c) by paying compensation to unlicensed persons or companies who were not employees
23 regularly employed at its licensed place of business for soliciting or accepting applications for loans.

24 Pursuant to Financial Code section 22712, City Title Loan, LLC d.b.a. City Loan is hereby
25 ordered to desist and refrain from violating California Code of Regulations, title 10, section 1451,
26 subsection (c).

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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the California Finance Lenders Law. This Order shall
3 remain in full force and effect until further order of the Commissioner.
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5 Dated: June 7, 2017
6 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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10 By: _____
11 MARY ANN SMITH
12 Deputy Commissioner
13 Enforcement Division
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