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**STATE OF CALIFORNIA**  
**BUSINESS TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO: CoActiv Capital Partners LLC**  
**655 Business Center Drive, Suite 250**  
**Horsham, PA 19044**

**DESIST AND REFRAIN ORDER**  
**(For violation of section 22100 of the Financial Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, CoActiv Capital LLC (hereinafter referred to as “CoActiv”) has conducted business in California by engaging in commercial lending activity as that activity is defined in California Financial Code section 22502. The loans were originated by CoActiv or were purchased from outside originators.

2. In the calendar year 2008 CoActiv funded in California \$24 million in loan transactions and purchased \$8 million of loan transactions. The payment collected on originated loans through 2008 was \$4.6 million and the payments they collected on purchased loans totaled \$1.2 million.

3. CoActiv entered into agreements that involved personal property and required the borrower to sign an agreement selling the consumer’s property and then leasing the same property back to the consumer for a fee. Under the terms of these agreements, the borrower agrees to pay a certain amount of money until the expiration of the “lease” for continued use of the property. When the lease expires, the borrower has the option of repurchasing the property. If the borrower fails to make the lease payments within a certain number of days of the due date, the lender may repossess the property, and sell it and retain the proceeds. Each agreement provided for a “Purchase Option at End of Term”.

4. The transactions engaged in by CoActiv were loans subject to the requirements of the California Finance Lenders Law (California Financial Code Sections 22000 et. seq.)

1 5. CoActiv has never been issued a license by the Commissioner authorizing it to engage in  
2 the business of a finance lender under the CFLL.

3 6. CoActiv is not exempt from the licensing requirements of California Financial Code  
4 section 22100, which provides no person shall engage in the business of a finance lender without  
5 obtaining a license from the Commissioner.

6 By reason of the foregoing, CoActiv has engaged in business as a finance lender without  
7 having first obtained a license from the Commissioner in violation of California Financial Code  
8 section 22100. Pursuant to California Finance Code section 22712, CoActiv Capital LLC is hereby  
9 ordered to desist and refrain from engaging in the business of a finance lender and/or broker in the  
10 State of California without first obtaining a license from the Commissioner, or otherwise being  
11 exempt. This Order is necessary, in the public interest, for the protection of consumers and is  
12 consistent with the purposes and policies and provisions of the California Finance Lenders Law. This  
13 Order shall remain in full force and effect until further order of the California Corporations  
14 Commissioner.

15 California Financial Code section 22712 provides in pertinent part:

16 Whenever, in the opinion of the commissioner, any person is engaged in business as a  
17 broker or finance lender, as defined in this division, without a license from the  
18 commissioner...the commissioner may order that person...to desist and to refrain  
19 from engaging in the business.... If, within 30 days after the order is served, a written  
20 request for a hearing is filed and no hearing is held with 30 days thereafter, the order is  
21 rescinded.

21 February 27, 2009  
22 San Francisco, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

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25 By: \_\_\_\_\_  
26 Alan S. Weinger  
27 Lead Corporations Counsel  
28 Enforcement Division

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