

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

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TO: Commercial Real Estate Lender, Inc.
John Brown
2029 Century Park East, Suite 1400 - 14th floor
Los Angeles, CA 90067

www.CRELender.com

DESIST AND REFRAIN ORDER

(For violations of section 22100 of the California Financial Code)

The California Commissioner of Business Oversight (“Commissioner”) finds that:

1. At all relevant times, Commercial Real Estate Lender, Inc. (“CREL”), an entity of unknown form, had its place of business at 2029 Century Park East, Suite 1400 - 14th floor, Los Angeles, CA 90067.

2. At all relevant times, CREL maintained a website at www.CRELender.com. According to its website, CREL “provides commercial real estate financing for borrowers, relators, and mortgage brokers nationwide.” CREL claims to have secured “institutional lending relationships nationwide, so you get the best capital sources for each commercial loan request.”

3. At all relevant times, John Brown (“Brown”) held himself out to be a Senior Vice President of CREL.

4. On or about August 4, 2015, a California resident (“Borrower”) began working with CREL to obtain two commercial loans. CREL requested the Borrower to produce certain documents required for the loan approvals. The Borrower emailed the requested documents to Brown the same day.

5. On or about August 5, 2015, Brown, on behalf of CREL, notified the Borrower that the loans were approved by underwriting. Brown provided the Borrower two Letters of Interest, which included specific terms for each commercial loan. One loan had a loan amount of \$600,000.00 and an interest rate of 3.786%. The second loan had a loan amount of \$1,575,000.00 and an interest rate of 3.786%.

1 6. The Letters of Interest included a provision stating CREL was “the broker of record
2 for all loan applications submitted to all lenders on the behalf of the borrower(s) during the exclusive
3 mortgage application period.”

4 7. The Borrower paid CREL an underwriting fee of \$1,875.00 for each loan transaction
5 in the total amount of \$3,750.00, as per Brown’s instructions.

6 8. In or about September 2015, Brown told the Borrower that CREL could not get the
7 loans approved and that CREL could only find one lender that would finance the loans and that the
8 terms would be completely different than what was included in CREL’s Letters of Interest.

9 9. In or about October 2015, the Borrower received an email from CREL promising a
10 full refund of the fees in the total amount of \$3,750.00 within 5-10 business days. The Borrower has
11 yet to receive any refund from CREL.

12 10. CREL and Brown were not issued a license by the Commissioner authorizing them to
13 engage in the business of a finance lender or broker under the California Finance Lenders Law.
14 CREL and Brown are not exempt from the licensing requirements of California Financial Code
15 section 22100.

16 By reason of the foregoing, Commercial Real Estate Lender, Inc. and John Brown have
17 engaged in the business of a finance lender or broker in the State of California by making or
18 brokering at least two commercial loans without first obtaining a license from the Commissioner in
19 violation of California Financial Code section 22100.

20 Pursuant to California Financial Code section 22712, Commercial Real Estate Lender, Inc.
21 and John Brown are ordered to desist and refrain from engaging in the business of a finance lender
22 and/or broker in the State of California without first obtaining a license from the Commissioner, or
23 otherwise being exempt.

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This order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies, and provisions of the California Finance Lenders Law.

Dated: July 22, 2016
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division