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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11 In the Matter of:)	File No.: 603-K061
)	
12 THE COMMISSIONER OF BUSINESS)	ACCUSATION IN SUPPORT OF
13 OVERSIGHT OF THE STATE OF)	REVOCAION OF CALIFORNIA FINANCE
14 CALIFORNIA,)	LENDER LICENSE
)	
15 Complainant,)	
)	
16 vs.)	
)	
17 CASH4RENT, INC. a.k.a.)	
18 LOANME, INC. a.k.a.)	
19 MORTGAGECALL, INC.,)	
)	
20 Respondent.)	

21
22 The Complainant is informed and believes and based upon such information and belief,
23 alleges and charges the Respondent as follows:

24 **I**
Introduction

25 1. Cash4Rent, Inc. a.k.a. LoanMe, Inc. a.k.a. MortgageCall, Inc. (“Cash4Rent”) is a
26 finance lender licensed since September 24, 2013 by Complainant, the Commissioner of Business
27 Oversight (“Commissioner”) pursuant to the California Finance Lender Law (“CFL”) (Fin. Code
28 § 22000 et seq.). Cash4Rent’s license number is 603-K061 and licensed location is One City

1 Boulevard West, Suite 1900, Orange, California 92868. Cash4Rent also does business as
2 “LoanMe, Inc.” at 1900 S. State College Boulevard, Anaheim, California 92806 and operates a
3 website at www.loanme.com.

4 2. Neither Cash4Rent’s use of the name, “LoanMe, Inc.” nor its business location of
5 1900 S. State College Boulevard, Anaheim, California 92806 has been authorized by the
6 Commissioner.

7 **II**
8 **Application, License, and Proposed Amendments to License**

9 3. On or around October 29, 2012, Cash4Rent filed an application for a CFLL license
10 pursuant to Financial Code section 22101 (File number 603-K061, hereinafter “Application”). The
11 Application identified John Paul Reddam (“Reddam”) as the president, secretary, treasurer, sole
12 shareholder, sole director and person in charge of Cash4Rent. Reddam executed the Application
13 under penalty of perjury as president of Cash4Rent.

14 4. Pursuant to California Code of Regulations, title 10, section 1422, the Application
15 included a Statement of Identity and Questionnaire (“SIQ”) for Reddam, dated on or around
16 October 24, 2012. On the basis of the Application and submissions of Cash4Rent, on or around
17 September 24, 2013, CFLL license # 603-K061 was issued to Cash4Rent. Between October 24,
18 2012 and September 24, 2013, Cash4Rent made no amendments, updates, or revisions to Reddam’s
19 SIQ.

20 5. On or around October 23, 2013, Cash4Rent notified the Commissioner of
21 Cash4Rent’s intent to modify its business plan to begin making mortgage loans rather than
22 unsecured consumer loans; to change its name to MortgageCall, Inc. (“MortgageCall”); and to
23 change its place of business to 1600 Douglass Road, Suite 200, Anaheim, California 92806.

24 6. On or around November 8, 2013, Cash4Rent, changed its name to MortgageCall,
25 Inc. (“MortgageCall”) by filing an Amended Statement of Designation by Foreign Corporation with
26 the California Secretary of State.

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1 7. On or around November 20, 2013, Cash4Rent again notified the Commissioner of its
2 intent to change its name to MortgageCall and its address to 1600 S. Douglass Road, Suite 200,
3 Anaheim, California 92806, and to transition its business to mortgage lending. Cash4Rent
4 registered MortgageCall with the National Mortgage Licensing System and Registry (“NMLS”),
5 and was issued a unique identifier, NMLS identification number 1139057. However, Cash4Rent’s
6 request for name and address changes have not yet been authorized, and its status to be a mortgage
7 lender has not been approved but is still pending.

8 8. On or around January 2, 2014, Cash4Rent, using the unauthorized name,
9 MortgageCall, notified the Commissioner of its intent to change its address from 1600 S. Douglass
10 Road, Suite 200, Anaheim, CA 92806 to One City Boulevard West, Suite 900, Orange, California
11 92868.

12 9. On or around January 16, 2014, Cash4Rent changed its name from MortgageCall
13 back to Cash4Rent, Inc. by filing another Amended Statement of Designation by Foreign
14 Corporation with the California Secretary of State.

15 10. On or around April 28, 2014, Cash4Rent notified the Commissioner that it had
16 undergone a 100% change of ownership when on or about April 15, 2014, Reddam purportedly sold
17 all of the issued and outstanding shares of Cash4Rent to MOW, LLC, a Delaware limited liability
18 company owned by three individuals in equal proportions.

19 11. On or around May 15, 2014, Cash4Rent changed its name to LoanMe, Inc.
20 (“LoanMe”) by filing an Amended Statement of Designation by Foreign Corporation with the
21 California Secretary of State.

22 12. On or around June 4, 2014, Cash4Rent notified the Commissioner of its intended
23 name change to LoanMe as well as address change from Suite 1900 to Suite 900, indicating that the
24 correct contact information for Cash4Rent’s license # 603-K061 was One City Boulevard West,
25 Suite 900, Orange, California 92868. However, to date, the Commissioner has not authorized the
26 proposed name or address changes.

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1 as President and CEO of CashCall, Inc., filed by the State of West Virginia on or around October 8,
2 2008 (Civil Action No.: 08-C-1964).

3 18. Although the explanation section to Question J(3) stated, “West Virginia Complaint
4 – JPR Dismissed,” a copy of the relevant document disclosed that on or around October 27, 2011,
5 Reddam was ordered to remain a defendant in the action. On September 12, 2012, the Court
6 entered an Order for permanent injunction, civil penalties, and other ancillary relief.

7 19. On or around October 24, 2012, Reddam signed the SIQ, which provided in relevant
8 part: “I, the undersigned, state that . . . I have not omitted any information needed to make this
9 document true.”

10 20. The information omitted from Reddam’s SIQ was discovered via the NMLS website
11 after Cash4Rent’s CFLL license was issued on or around September 24, 2013. Moreover, the Form
12 MU2 that disclosed the omitted information was submitted on or around November 12, 2013 on
13 behalf of “LoanMe, Inc.,” which is a name that Cash4Rent did not begin using until May 15, 2014,
14 when it filed an Amended Statement of Designation by Foreign Corporation with the California
15 Secretary of State. Cash4Rent did not notify the Commissioner of its intent to use the name,
16 “LoanMe, Inc.,” until at least June 4, 2014.

17 **IV**
18 **Violation of Financial Code Section 22155:**
19 **Transacting Business Using Unauthorized Name and Address**

20 21. Starting from at least July, 2014, Cash4Rent engaged in the business of finance
21 lending under a name and/or address location not authorized in the license.

22 22. For example, on or around July 21, 2014, Cash4Rent executed a loan contract with
23 at least one California resident indicating the “Finance Lenders Name and Address” to be LoanMe,
24 Inc., One City Boulevard West Suite 900, Orange, CA 92868. The stated amount financed was
25 \$2,525.00 with an annual percentage rate of 203.2%. The promissory note and disclosure statement
26 further stated, “For information, contact the Department of Business Oversight, State of California,
27 License No. 603-K061.”

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1 23. While Cash4Rent’s proposed name and address changes were still pending
2 authorization by the Commissioner, Cash4Rent also engaged in the business of finance lending via
3 the website, www.loanme.com. As of at least December 12, 2014, the website offered the general
4 public personal, small business, and auto loans, stating:

5 California loans are made pursuant to LoanMe’s California Department of
6 Business Oversight Finance Lenders Law License #603K061. Credit
7 approval is subject to LoanMe’s credit standards, and actual terms
8 (including actual loan amount) may vary by applicant. LoanMe requires
9 certain supporting documentation with each new application. LoanMe
10 provides complete disclosures of APR, fees, and payment terms with each
11 loan document. If you have any questions regarding this, call us at [844-
311-2274](tel:844-311-2274). LoanMe is located at 1900 S. State College Boulevard, Suite
300, Anaheim, CA 92806. © Copyright 2014 LoanMe, Inc. All Rights
Reserved. NMLS Number: 1139057- NMLS Consumer Access can be
found [here](#).

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13 24. Furthermore, between December 3, 2014, and December 10, 2014, Cash4Rent
14 directly offered loans to at least one California resident via emails in the following manner:

- 15 i. On December 3, 2014, an email was sent to the California resident stating, in
16 relevant part: “Take 5 minutes and see how much money your small business can get
17 from LoanMe . . . California loans are made pursuant to LoanMe’s California
18 Department of Business Oversight Finance Lenders Law license #6034K061.
19 NMLS Number: 1139057-NMLS Consumer Access can be found here . . . © 2014
20 LoanMe®, Inc. 1900 S. State College Boulevard, Suite 300, Anaheim, CA 92806 . . .
21 .”
- 22 ii. Despite no response from the California resident, a second email dated December 7,
23 2014, was sent to the California resident stating, in relevant part: “Hello. I just tried
24 reaching you in regards to your loan application . . . Can you please call me directly
25 at 949-535-7338 when you get this? Your first Payment won’t be due until
26 JANUARY. We can get cash into your account as quickly as Monday! We work
27 with bad credit/less than perfect credit . . . This is NOT a Pay Day loan”
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1 28. In fact, LoanMe is not the name associated with the Department’s CPLL license #
2 603-K061 and the address location of 1900 S. State College Boulevard, Suite 300, Anaheim, CA
3 92806, is not an authorized licensed location for any CPLL licensee. The website omits to state that
4 the NMLS ID # 1139057 does not correspond with an approved mortgage lender, and that
5 Cash4Rent’s status as a mortgage lender is still pending and not approved.

6 29. Financial Code section 22161 states, in relevant part:

7 No person subject to this division shall do any of the following:

8 (a) Make a materially false or misleading statement or representation to a
9 borrower about the terms or conditions of that borrower’s loan, when
10 making or brokering the loan.

11 (b) Advertise, print, display, publish, distribute, or broadcast, or cause or
12 permit to be advertised, printed, displayed, published, distributed, or
13 broadcast in any manner, any statement or representation with regard to
14 the business subject to the provisions of this division, including the rates,
15 terms, or conditions for making or negotiating loans, that is false,
16 misleading, or deceptive, or that omits material information that is
17 necessary to make the statements not false, misleading, or deceptive, or in
18 the case of a licensee, that refers to the supervision of the business by the
19 state or any department or official of the state.

20 30. Therefore, on or around July 21, 2014, by executing a loan contract with at least one
21 California resident indicating the “Finance Lenders Name and Address” to be LoanMe, Inc., One
22 City Boulevard West Suite 900, Orange, CA 92868, Cash4Rent made a materially false or
23 misleading statement or representation to a borrower about the terms or conditions of that
24 borrower’s loan when making or brokering the loan, in violation of Financial Code section 22161,
25 subdivision (a).

26 31. In addition, Cash4Rent has advertised, printed, displayed, published, distributed, or
27 broadcasted, or caused or permitted to be advertised, printed, displayed, published, distributed, or
28 broadcast via the website, www.loanme.com, statements that are false, misleading, or deceptive, or
omitted material information necessary to make the statements not false, misleading, or deceptive,
and as a licensee, referred to the supervision of the business by the California Department of
Business Oversight, in violation of Financial Code section 22161, subdivision (b).

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V
Applicable Law

32. Financial Code section 22714, subdivision (a) states, in relevant part:

The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following: . . . (2) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division. (3) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally. . . .

33. Financial Code section 22109, subdivision (a) states, in relevant part:

Upon reasonable notice and opportunity to be heard, the commissioner may deny the application for a finance lender or broker license for any of the following reasons: . . .

1) A false statement of a material fact has been made in the application . . .

34. At the time of Cash4Rent’s original application for the CFLL license, the fact that Reddam was a defendant in a civil action for injunction, consumer restitution, civil penalties, and other appropriate relief that was filed by the State of West Virginia in Civil Action No. 08-C-1964, was a material fact, as it applied directly to Question 6 in Reddam’s SIQ, which asked whether Reddam was a defendant in any civil court action other than divorce, condemnation or personal injury. By answering “Yes” to Question 6 but omitting from the list of disclosed litigated matters the civil action taken by the State of West Virginia in Civil Action No. 08-C-1964, Reddam made a false statement of material fact in the Application. Also, this omission of material fact contradicted the verification statement made by Reddam that he did not omit any information needed to make the document true.

VI
Conclusion

The Commissioner finds that, by reason of the foregoing, pursuant to Financial Code section 22714, grounds exist to revoke the California Finance Lender license of Cash4Rent, Inc., a.k.a. LoanMe, Inc., a.k.a. MortgageCall, Inc. for violations of sections 22155 and 22161, and also

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pursuant to section 22109.

WHEREFORE, IT IS PRAYED that the California Finance Lender license of Cash4Rent, Inc., a.k.a. LoanMe, Inc., a.k.a. MortgageCall, Inc. be revoked.

Dated: February 18, 2015
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Sophia C. Kim
Corporations Counsel
Enforcement Division