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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)	DESIST AND REFRAIN ORDER PURSUANT
13 OVERSIGHT OF THE STATE OF)	TO CALIFORNIA FINANCIAL CODE
14 CALIFORNIA,)	SECTION 22712
)	
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**
25 **Introduction**

26 1. Cash4Rent, Inc. a.k.a. LoanMe, Inc. a.k.a. MortgageCall, Inc. (“Cash4Rent”) is a
27 finance lender licensed since September 24, 2013 by Complainant, the Commissioner of Business
28 Oversight (“Commissioner”) pursuant to the California Finance Lender Law (“CFLL”) (Fin. Code

1 § 22000 et seq.). Cash4Rent’s license number is 603-K061 and licensed location is One City
2 Boulevard West, Suite 1900, Orange, California 92868. Cash4Rent also does business as
3 “LoanMe, Inc.” at 1900 S. State College Boulevard, Anaheim, California 92806 and operates a
4 website at www.loanme.com.

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

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

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

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

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

25 6. On or around November 8, 2013, Cash4Rent Cash4Rent, changed its name to
26 MortgageCall, Inc. (“MortgageCall”) by filing an Amended Statement of Designation by Foreign
27 Corporation with 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 13. Pursuant to Financial Code section 22700, the CFLL license # 603-K061 issued to
2 Cash4Rent has not been surrendered, revoked, or suspended and hence remains in effect, as none of
3 the proposed amendments to its name and address as stated above have been authorized.

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5 **III**
6 **Violation of Financial Code Section 22155:**
7 **Transacting Business Using Unauthorized Name and Address**

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

10 15. For example, on or around July 21, 2014, Cash4Rent executed a loan contract with
11 at least one California resident indicating the “Finance Lenders Name and Address” to be LoanMe,
12 Inc., One City Boulevard West Suite 900, Orange, CA 92868. The stated amount financed was
13 \$2,525.00 with an annual percentage rate of 203.2%. The promissory note and disclosure statement
14 further stated, “For information, contact the Department of Business Oversight, State of California,
15 License No. 603-K061.”

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

20 California loans are made pursuant to LoanMe’s California Department of
21 Business Oversight Finance Lenders Law License #603K061. Credit
22 approval is subject to LoanMe’s credit standards, and actual terms
23 (including actual loan amount) may vary by applicant. LoanMe requires
24 certain supporting documentation with each new application. LoanMe
25 provides complete disclosures of APR, fees, and payment terms with each
26 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
27 300, Anaheim, CA 92806. © Copyright 2014 LoanMe, Inc. All Rights
28 Reserved. NMLS Number: 1139057- NMLS Consumer Access can be
found [here](#).

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

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- i. On December 3, 2014, an email was sent to the California resident stating, in relevant part: “Take 5 minutes and see how much money your small business can get from LoanMe . . . California loans are made pursuant to LoanMe’s California Department of Business Oversight Finance Lenders Law license #6034K061. NMLS Number: 1139057-NMLS Consumer Access can be found here . . . © 2014 LoanMe®, Inc. 1900 S. State College Boulevard, Suite 300, Anaheim, CA 92806”
 - ii. Despite no response from the California resident, a second email dated December 7, 2014, was sent to the California resident stating, in relevant part: “Hello. I just tried reaching you in regards to your loan application . . . Can you please call me directly at 949-535-7338 when you get this? Your first Payment won’t be due until JANUARY. We can get cash into your account as quickly as Monday! We work with bad credit/less than perfect credit . . . This is NOT a Pay Day loan”
 - iii. Despite no response from the California resident to the first or second emails, a third email dated December 10, 2014 was sent to the California resident stating, in relevant part: “LoanMe Pre-Qualification . . . I have received a half completed application. Contact me ASAP to move forward with your application to see exactly what your (sic) pre-qualified for or not. Talk to you soon”
18. Financial Code section 22155 provides, in relevant part:
No finance lender, broker, or mortgage loan originator licensee shall transact the business licensed or make any loan provided for by this division under any other name or at any other place of business than that named in the license except pursuant to a currently effective written order of the commissioner authorizing the other name or other place of business. The commissioner’s order, while effective, shall be deemed to amend the original license issued pursuant to Section 22105 or 22109.1

19. The Commissioner has not issued an order amending Cash4Rent’s original license (license # 603-K061) issued on September 24, 2013. As such, Cash4Rent has transacted business as a finance lender under the unauthorized name, LoanMe, and at an unauthorized location, 1900 S.

1 State College Boulevard, Suite 300, Anaheim, CA 92806, in violation of Financial Code section
2 22155.

3 **IV**
4 **Violation of Financial Code Section 22161:**
5 **Making False, Misleading, or Deceptive Representations**

6 20. Since at least December, 2014, Cash4Rent has displayed or caused to be displayed
7 on the website, www.loanme.com, the following information:

8 California loans are made pursuant to LoanMe’s California Department of
9 Business Oversight Finance Lenders Law License #603K061. Credit
10 approval is subject to LoanMe’s credit standards, and actual terms
11 (including actual loan amount) may vary by applicant. LoanMe requires
12 certain supporting documentation with each new application. LoanMe
13 provides complete disclosures of APR, fees, and payment terms with each
14 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](#).

15 21. In fact, LoanMe is not the name associated with the Department’s CFLL license #
16 603-K061 and the address location of 1900 S. State College Boulevard, Suite 300, Anaheim, CA
17 92806, is not an authorized licensed location for any CFLL licensee. The website omits to state that
18 the NMLS ID # 1139057 does not correspond with an approved mortgage lender, and that
19 Cash4Rent’s status as a mortgage lender is still pending and not approved.

20 22. Financial Code section 22161 states, in relevant part:

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

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

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

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

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

13 **V**

14 **Desist and Refrain Order**

15 25. The Department of Business Oversight, through the Commissioner of Business
16 Oversight, is vested with the authority to license and regulate finance lenders and brokers in the
17 State of California pursuant to the CFLL.

18 26. Financial Code section 22712, subdivision (a), provides in relevant part:

19 Whenever, in the opinion of the commissioner, any person is engaged in
20 the business as a broker or finance lender, or a mortgage loan originator,
21 as defined in this division, without a license from the commissioner, or
22 any licensee is violating any provision of this division, the commissioner
23 may order that person or licensee to desist and to refrain from engaging in
24 the business or further violating this division. If, within 30 days after the
25 order is served, a written request for a hearing is filed and no hearing is
26 held within 30 days thereafter, the order is rescinded. For purposes of this
27 section, “licensee” includes a mortgage loan originator.

28 NOW, BASED UPON THE FOREGOING, IT IS HEREBY ORDERED, under the
provisions of Financial Code section 22712, that Cash4Rent, Inc. a.k.a. LoanMe, Inc. a.k.a.
MortgageCall, Inc., and any and all officers, directors, employees, independent contractors, or
agents operating on behalf of Cash4Rent, Inc. a.k.a. LoanMe, Inc. a.k.a. MortgageCall, Inc., and

1 their successors or assigns immediately desist and refrain from transacting the business licensed or
2 making any loan provided for by this division under any other name or at any other place of
3 business than that named in the license except pursuant to a currently effective written order of the
4 commissioner authorizing the other name or other place of business, in violation of Financial Code
5 section 22155.

6 Furthermore, Cash4Rent, Inc. a.k.a. LoanMe, Inc. a.k.a. MortgageCall, Inc., and any and all
7 officers, directors, employees, independent contractors, or agents operating on behalf of Cash4Rent,
8 Inc. a.k.a. LoanMe, Inc. a.k.a. MortgageCall, Inc., and their successors or assigns, are ordered to
9 immediately desist and refrain from making a materially false or misleading statement or
10 representation to a borrower about the terms or conditions of that borrower’s loan, when making or
11 brokering the loan, in violation of Financial Code section 22161, subdivision (a); and advertising,
12 printing, displaying, publishing, distributing, or broadcasting, or causing or permitting to be
13 advertised, printed, displayed, published, distributed, or broadcast in any manner, any statement or
14 representation with regard to the business subject to the provisions of this division, including the
15 rates, terms, or conditions for making or negotiating loans, that is false, misleading, or deceptive, or
16 that omits material information that is necessary to make the statements not false, misleading, or
17 deceptive, or in the case of a licensee, that refers to the supervision of the business by the state or
18 any department or official of the state, in violation of Financial Code section 22161, subdivision
19 (b).

20 Dated: February 18, 2015
21 Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

22
23 By _____
24 Mary Ann Smith
25 Deputy Commissioner
26 Enforcement Division
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