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

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11 In the Matter of:) CFL LICENSE NO.: 603-J519
)
12 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
13)
14 Complainant,)
)
15 v.)
)
16 LOANNOW, LLC dba LOANNOW,)
17)
18 Respondent.)
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25 This Consent Order relating to the settlement and resolution of examination issues pending
26 before the Commissioner of Business Oversight (Commissioner) is entered into between the
27 Commissioner and LoanNow, LLC dba LoanNow (LoanNow), and is made with respect to the
28 following facts:

RECITALS

A. The Department of Business Oversight (Department), through the Commissioner, has jurisdiction over the licensing and regulation of entities engaged in the business of lending and servicing in the State of California pursuant to the California Financing Law¹ (Fin. Code, § 22000 *et seq.*) (CFL).

B. At all relevant times, LoanNow is a finance lender and broker licensed by the Commissioner on or around June 28, 2012 pursuant to the CFL (license number 603-J519) with a main office located at 3100 South Harbor Boulevard, Suite 180, Santa Ana, California 92704.

C. On or around November 2, 2015, the Department commenced a regulatory examination of LoanNow pursuant to Financial Code section 22701 (November 2015 Regulatory Exam). The November 2015 Regulatory Exam disclosed that from in or around December 2014 through November 2015 LoanNow compensated unlicensed persons or companies who were not employees regularly employed at LoanNow’s licensed place of business for soliciting or accepting applications for loans, in violation of California Code of Regulations, title 10, section 1451, subsection (c). On or around September 22, 2016, the Department demanded additional books and records regarding LoanNow’s compensation to unlicensed persons for referrals or leads (September 2016 Demand).

D. Although LoanNow disagreed with the interpretation and application of California Code of Regulations, title 10, section 1451, subsection (c), on or around October 17, 2016, LoanNow complied with the September 2016 Demand and further represented that as of February 12, 2016, LoanNow had ceased its business relationships with all unlicensed persons or companies.

E. The Commissioner finds that this action is appropriate, in the public interest, and consistent with the purposes fairly intended by the policies and provisions of the CFL.

F. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing and/or other litigation.

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¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Financing Law means the California Finance Lenders Law before October 4, 2017 and the California Financing Law on and after that date. (Fin. Code, § 22000.)

TERMS AND CONDITIONS

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2 1. Purpose. This Consent Order is to resolve the issues described above in a manner
3 that avoids the expense of a hearing and possible further court proceedings, is in the public interest,
4 protects consumers, and is consistent with the purposes, policies, and provisions of the CFL.

5 2. Finality of Order. LoanNow hereby agrees to comply with this Consent Order and
6 stipulates that this Consent Order is deemed a final and enforceable order issued pursuant to the
7 Commissioner’s authority under Financial Code section 22712.

8 3. Desist and Refrain Order. LoanNow stipulates that in accordance with Financial
9 Code section 22712 it will desist and refrain from violating California Code of Regulations, title 10,
10 section 1451, subsection (c).

11 4. Waiver. LoanNow acknowledges that the Commissioner is ready, willing, and able
12 to proceed with the filing of an administrative action on the charges contained in Paragraph C
13 above, and hereby waives the right to a hearing, and to any reconsideration, appeal, or other right to
14 review that may be afforded pursuant to the CFL. LoanNow expressly waives any requirement for
15 the filing of an Accusation that may be afforded by Government Code section 11415.60,
16 subdivision (b), the Administrative Procedure Act, the Code of Civil Procedure, or any other
17 provision of law; and by waiving such rights, LoanNow consents to this Consent Order becoming
18 final.

19 5. Full and Final Settlement. The parties hereby acknowledge and agree that this
20 Consent Order is intended to constitute a full, final and complete resolution of the violations noted
21 in the November 2015 Regulatory Exam described herein and that no further proceedings or actions
22 will be brought by the Commissioner in connection with the November 2015 Regulatory Exam or
23 September 2016 Demand under the CFL or any other provision of law, excepting therefrom any
24 proceeding or action if such proceeding or action is based upon facts not presently known to the
25 Commissioner and which were actively concealed from the Commissioner by LoanNow.

26 6. Commissioner’s Duties. The parties hereby acknowledge and agree that nothing
27 contained in this Consent Order shall operate to limit the Commissioner’s ability to assist any other
28 agency (city, county, state or federal) with any prosecution, administrative, civil or criminal,

1 brought by any such agency against LoanNow or any other person based upon any of the activities
2 alleged in the Consent Order or otherwise.

3 7. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
4 it has received independent advice from its attorney(s) and/or representatives with respect to the
5 advisability of executing this Consent Order.

6 8. Full Integration. Each of the parties represents, warrants, and agrees that in
7 executing this Consent Order it has relied solely on the statements set forth herein and the advice of
8 its own counsel and/or representative. Each of the parties further represents, warrants, and agrees
9 that in executing this Consent Order it has placed no reliance on any statement, representation, or
10 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
11 failure of any party or any other person or entity to make any statement, representation or disclosure
12 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any
13 party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the
14 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
15 Order.

16 9. Final Agreement. This Consent Order is the final written expression and the
17 complete and exclusive statement of all the agreements, conditions, promises, representations, and
18 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings, and discussions
20 between and among the parties, their respective representatives, and any other person or entity, with
21 respect to the subject matter covered hereby.

22 10. Binding. This Consent Order is binding on all heirs, assigns and/or successors in
23 interest.

24 11. Third Party Actions. This Consent Order does not create any private rights or
25 remedies against LoanNow, create any liability for LoanNow, or limit defenses of LoanNow for
26 any person or entity not a party to this Consent Order.

27 12. Presumption from Drafting. In that the parties have had the opportunity to draft,
28 review and edit the language of this Consent Order, no presumption for or against any party arising

1 out of drafting all or any part of this Consent Order will be applied in any action relating to,
2 connected to, or involving this Consent Order. Accordingly, the parties waive the benefit of
3 California Civil Code section 1654 and any successor or amended statute, providing that in cases of
4 uncertainty, language of a contract should be interpreted most strongly against the party who caused
5 the uncertainty to exist.

6 13. Voluntary Agreement. LoanNow enters into this Consent Order voluntarily and
7 without coercion and acknowledges that no promises, threats or assurances have been made by the
8 Commissioner or any officer, or agent thereof, about this Consent Order.

9 14. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
10 Consent Order shall not operate to waive any other provision set forth herein, and any waiver,
11 amendment and/or modification to the terms of this Consent Order must be in writing and signed by
12 all of the parties affected by it.

13 15. Headings and Governing Law. The headings to the paragraphs of this Consent
14 Order are inserted for convenience only and will not be deemed a part hereof or affect the
15 construction or interpretation of the provisions hereof. This Consent Order shall be construed and
16 enforced in accordance with and governed by California law.

17 16. Effective Date. This Consent Order shall not become effective until signed by all
18 parties and delivered by the Commissioner’s counsel via email to LoanNow’s counsel at
19 legal@loannow.com.

20 17. Counterparts. The parties agree that this Consent Order may be executed in one or
21 more separate counterparts, each of which when so executed, shall be deemed an original. Such
22 counterparts shall together constitute and be one and the same instrument.

23 18. Public Record. LoanNow acknowledges that this Consent Order is a public record.

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19. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order.

Dated: 3/29/18

JAN LYNN OWEN
Commissioner of Business Oversight

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 3/29/18

LOANNOW, LLC dba LOANNOW

By _____

JESSE STOCKWELL
Managing Member