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Deputy Commissioner  
2 SEAN ROONEY  
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4 Department of Business Oversight  
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8  
9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of: )  
13 THE COMMISSIONER OF BUSINESS ) CFLL APPLICATION NO. 60DBO 57497  
OVERSIGHT, )  
14 Complainant, ) CONSENT ORDER  
15 v. )  
16 STILT INC., )  
17 Respondent. )  
18 )  
19 )  
20 )

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23 This Consent Order is entered into between Complainant, the Commissioner of the  
24 Department of Business Oversight (Commissioner) and Respondent Stilt Inc. (Stilt) (collectively, the  
25 Parties), and is made with respect to the following facts:

26 **RECITALS**

27 A. Stilt is a Delaware corporation in good standing, formed on September 1, 2015, with  
28 a primary business address located at 770 Van Ness Avenue, #104, San Francisco, California 94102.

1 B. Stilt applied for a California Finance Lenders License (CFL) on June 7, 2016, and  
2 its application is currently pending. Stilt is not currently licensed as a CFL lender or broker.

3 C. The Commissioner has jurisdiction over the licensing and regulation of persons and  
4 entities engaged in the business of lending and brokering pursuant to the CFL.

5 D. Stilt produced a broker report and loan files to the Commissioner, which revealed  
6 Stilt had originated 42 unsecured consumer loans to Californians without a license from January 11,  
7 2016 to September 29, 2016, in violation of Financial Code section 22100. Of the 42 loans Stilt  
8 originated, 35 had excess interest rates and/or charges totaling \$6,391.08.

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

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

13 NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set  
14 forth herein, the Parties stipulate as follows:

15 **TERMS AND CONDITIONS**

16 1. Purpose. This Consent Order resolves the violations before the Commissioner in a  
17 manner that avoids the expense of a hearing and possible further court proceedings, is in the public  
18 interest, protects consumers, and is consistent with the purposes, policies, and provisions of the  
19 CFL.

20 2. Finality of the Consent Order. Stilt hereby agrees to comply with this Consent Order  
21 and stipulates that the Consent Order is deemed final.

22 3. Finality of the Desist and Refrain Order Issued. In accordance with Financial Code  
23 section 22712, Stilt stipulates that it is ordered to desist and refrain from violating the CFL by  
24 engaging in the business of a finance lender or broker without a license in violation of Financial  
25 Code section 22100.

26 4. Waiver of Hearing Rights. Stilt acknowledges that the Commissioner is ready,  
27 willing, and able to proceed with the filing of an administrative enforcement action on the Consent  
28 Order charges and Desist and Refrain Order contained in this Consent Order. Stilt hereby waives the

1 right to any hearings, and to any reconsideration, appeal, injunction, or other rights to review which  
2 may be afforded pursuant to the Financial Code, the California Administrative Procedure Act, the  
3 Code of Civil Procedure, or any other provision of law. Stilt further expressly waives any  
4 requirement for the filing of an Accusation that may be afforded by Government Code section  
5 11415.60, subdivision (b), the California Administrative Procedure Act, the Code of Civil  
6 Procedure, or any other provision of law. By waiving such rights, Stilt effectively consents to this  
7 Consent Order and Desist and Refrain Order herein becoming final.

8           5.       Refunds and Penalties. Stilt agrees that the Commissioner shall not approve its  
9 application for a CFLL license unless, within 30 days of the Effective Date of this Consent Order as  
10 defined in paragraph 19, Stilt does the following:

11                   (a) Submits evidence of compliance to the Commissioner that Stilt has issued refunds  
12 totaling no less than \$6,391.08, which amount shall be determined according to proof and subject to  
13 the sole approval of the Commissioner, to all California borrowers who were charged usurious  
14 amounts in excess of the 10 percent rate allowed under article 15, section 1 of the California  
15 Constitution during the period that Stilt did not have a CFLL license, then in effect; and,

16                   (b) Pays penalties to the Commissioner totaling \$20,000.00, payable in the form of a  
17 cashier’s check or Automated Clearing House deposit to the “Department of Business Oversight,”  
18 and transmitted to the attention of:

19                   ATTN: Accounting – Litigation  
20                   The Department of Business Oversight  
21                   1515 K Street, Suite 200, Sacramento, California, 95814

22                   Notice of payment shall be sent to:

23                   Uche L. Enenwali  
24                   Senior Counsel, Enforcement Division  
25                   Department of Business Oversight  
26                   320 West Fourth Street, Suite 750  
27                   Los Angeles, California 90013  
28                   E-mail: [Uche.Enenwali@dbo.ca.gov](mailto:Uche.Enenwali@dbo.ca.gov)

27                   In the event the payment due date falls on a weekend or holiday, the payment shall be due the  
28 next business day.

1           6.       Failure to Comply with Consent Order. If Stilt fails to comply with any of the terms  
2 of this Consent Order, the Commissioner may institute proceedings for any and all violations  
3 otherwise resolved under this Consent Order. Stilt acknowledges that failure to comply with the  
4 terms of this Consent Order shall be a breach of this Consent Order and shall be cause for the  
5 Commissioner to immediately revoke Stilt's CFFL license, and/or deny any pending application(s)  
6 of Stilt or its successors and assigns, by whatever names they might be known until the terms are  
7 met. Stilt hereby waives any notice of hearing rights to contest the immediate revocation of its  
8 CFFL license which may be afforded under the California Finance Lenders Law, the California  
9 Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law in  
10 connection therewith.

11           7.       Consent Order Coverage. This Consent Order is intended to constitute a full, final  
12 and complete resolution of the violations before the Commissioner, excepting therefrom any  
13 proceeding or action if such proceeding or action is based upon facts not presently known to the  
14 Commissioner or which were knowingly concealed from the Commissioner. The Parties further  
15 acknowledge and agree that nothing contained in this Consent Order shall operate to limit the  
16 Commissioner's ability to assist any other agency, (city, county, state or federal) with any  
17 prosecution, administrative, civil or criminal, brought by any such agency against Stilt based upon  
18 any of the activities alleged in these matters or otherwise.

19           8.       Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it  
20 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with  
21 respect to the advisability of executing this Consent Order.

22           9.       No Other Representation. Each of the Parties represents, warrants, and agrees that in  
23 executing this Consent Order it has relied solely on the statements set forth herein and has had the  
24 opportunity to seek the legal advice of its own counsel. Each of the Parties further represents,  
25 warrants, and agrees that in executing this Consent Order it has placed no reliance on any statement,  
26 representation, or promise of any other party, or any other person or entity not expressly set forth  
27 herein, or upon the failure of any party or any other person or entity to make any statement,  
28 representation or disclosure of anything whatsoever. The Parties have included this clause: (1) to

1 preclude any claim that any party was in any way fraudulently induced to execute this Consent  
2 Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or  
3 contradict the terms of this Consent Order.

4 10. Modifications and Qualified Integration. No amendment, change or modification of  
5 this Consent Order shall be valid or binding to any extent unless it is in writing and signed by all of  
6 the parties affected by it.

7 11. Full Integration. This Consent Order is the final written expression and the complete  
8 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
9 between the Parties with respect to the subject matter hereof, and supersedes all prior or  
10 contemporaneous agreements, negotiations, representations, understandings, and discussions  
11 between and among the Parties, their respective representatives, and any other person or entity, with  
12 respect to the subject matter covered hereby.

13 12. No Presumption From Drafting. In that the Parties have had the opportunity to draft,  
14 review and edit the language of this Consent Order, no presumption for or against any party arising  
15 out of drafting all or any part of this Consent Order will be applied in any action relating to,  
16 connected, to, or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil  
17 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,  
18 language of a contract should be interpreted most strongly against the party who caused the  
19 uncertainty to exist.

20 13. Voluntary Agreement. Stilt enters into this Consent Order voluntarily and without  
21 coercion and acknowledges that no promises, threats or assurances have been made by the  
22 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent  
23 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
24 without any duress or undue influence of any kind from any source.

25 14. Authority For Settlement. Each party warrants and represents that such party is fully  
26 entitled and duly authorized to enter into and deliver this Consent Order. In particular, and without  
27 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to  
28 enter into the covenants, and undertake the obligations set forth herein.

1           15.    Waiver. The waiver of any provision of this Consent Order shall not operate to waive  
2 any other provision set forth herein, and any waiver, amendment and/or change to the terms of this  
3 Consent Order must be in writing and signed by the parties affected by it.

4           16.    Counterparts. This Consent Order may be executed in any number of counter-parts  
5 by the Parties, and when each party has signed and delivered at least one such counterpart to the  
6 other party, each counterpart shall be deemed an original and taken together shall constitute one and  
7 the same Consent Order .

8           17.    Signatures. This Consent Order may be executed by facsimile or scanned signature,  
9 and any such facsimile or scanned signature by any party hereto shall be deemed to be an original  
10 signature and shall be binding on such party to the same extent as if such facsimile or scanned  
11 signature were an original signature.

12           18.    Governing Law. This Consent Order shall be construed and enforced in accordance  
13 with and governed by California law.

14           19.    Effective Date. This Consent Order shall not become effective until signed by all  
15 parties and delivered by the Commissioner’s counsel by email to: tombrown@paulhastings.com.

16           20.    Capacity to Contract. Each signator hereto covenants that he/she possesses all  
17 necessary capacity and authority to sign and enter into this Consent Order.

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1           21.    Notice. Any notices required under this Consent Order shall be provided to each  
2 party at the following addresses:

3  
4 If to Respondent to:                   Thomas P. Brown  
5    Partner, Litigation Department  
6    Paul Hastings LLP  
7    101 California Street, Forty-Eighth Floor,  
8    San Francisco, California 94111

9  
10 If to the Commissioner to:           Uche L. Enenwali  
11   Senior Counsel, Enforcement Division  
12   Department of Business Oversight  
13   320 West Fourth Street, Suite 750  
14   Los Angeles, California 90013  
15   E-mail: Uche.Enenwali@dbo.ca.gov

16 Dated:    6/23/17                    JAN LYNN OWEN  
17    Commissioner of Business Oversight

18 By \_\_\_\_\_  
19    MARY ANN SMITH  
20    Deputy Commissioner  
21    Enforcement Division

22 Dated:    6/22/17                    STILT INC.

23 By \_\_\_\_\_  
24    ROHIT MITTAL, CEO

25 **APPROVED AS TO FORM:**

26 \_\_\_\_\_  
27 THOMAS P. BROWN, Partner  
28 PAUL HASTINGS LLP  
Counsel for Stilt Inc.

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UCHE L. ENENWALI  
Counsel for Commissioner of Business Oversight