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8 Attorneys for Complainant

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

13	In the Matter of:)	CFL License No. 60DBO-66627
14	THE COMMISSIONER OF BUSINESS)	
15	OVERSIGHT,)	CONSENT ORDER
16	Complainant,)	
17	v.)	
18	VEND-LEASE COMPANY INC.,)	
19	Respondent.)	

21 Complainant, the Commissioner of Business Oversight (Commissioner), and Respondent,
22 Vend-Lease Company Inc (Vend-Lease), enter this Consent Order (Order) based on the following
23 facts:

24 **RECITALS**

- 25 A. At all relevant times, Vend-Lease is and was incorporated under the laws of Maryland and has
- 26 its primary place of business at 8100 Sandpiper Circle, Suite 300, Baltimore, Maryland 21236.
- 27 B. Vend-Lease issued equipment leases in California from 2013 through 2017. The terms of
- 28 these leases made them loans under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).

1 C. In issuing these loans without a CFL license, the Commissioner finds Vend-Lease acted in
2 violation of Financial Code section 22100.

3 D. Vend-Lease applied to the Department of Business Oversight (Department) for a CFL license
4 on January 26, 2017 (License number 60DB-66672). During the application process, Vend-Lease was
5 cooperative in the subsequent investigation by the Department of the scope of the unlicensed lending
6 activity.

7 E. Vend-Lease admits to the jurisdiction of the Department, consents to entry of this Order by
8 the Department and agrees to comply with its terms but does not admit or deny any of the violations
9 of law found by the Commissioner herein.

10 F. The Commissioner finds that this Order is necessary, in the public interest and consistent with
11 the purposes, policies, and provisions of the CFL.

12 **TERMS**

13 1. Desist and Refrain Order. Pursuant to Financial Code section 22712, Vend-Lease is hereby
14 ordered to desist and refrain from engaging in the business of acting as a finance lender in the State of
15 California without first obtaining a CFL license from the Commissioner, or otherwise being exempt.

16 2. Administrative Penalties. Pursuant to Financial Code section 22713, subdivision (c), Vend-
17 Lease agrees to pay administrative penalties in an amount of \$82,800.00, due and payable to the
18 Department within 10 days of the effective date of this Order, as such date is defined by Paragraph
19 12. The penalty shall be paid by check made payable to the "Department of Business Oversight" and
20 mailed to the attention of: Accounting, Department of Business Oversight, 1515 K Street, Suite 200,
21 Sacramento, California 95814. Notice of payment shall be made concurrently to Senior Counsel Kirk
22 Wallace at Department of Business Oversight, One Sansome Street, Suite 600, San Francisco,
23 California 94104.

24 3. Refunds to Borrowers. Vend-Lease shall provide refunds or credits to California customers
25 who entered into the loan agreements with Vend-Lease (borrowers) based on the following terms.

26 a. Vend-Lease shall refund or provide reductions in any future payments still due on all
27 loans made during the years 2015 through 2018 for any usurious interest charged to borrowers in
28 excess of the 10 percent interest rate allowed under article 15, section 1 of the California
Constitution, in the amount of at least \$448,627.51.

1 b. Vend-Lease shall submit the evidence of the refunds pursuant to this paragraph to the
2 attention of Kirk Wallace, Senior Counsel, Enforcement Division, at the Department of Business
3 Oversight located at One Sansome Street, Suite 600, San Francisco, California, 94104 within 60 days
4 of the effective date of this Order.

5 c. Refunds issued pursuant to Paragraph 3 shall be subject to final examination review by the
6 Commissioner and sent to the borrower with the accompanying notice: “Pursuant to an agreement
7 entered with the Department of Business Oversight, a refund or adjustment in the amount of \$xxx.xx
8 is being made for your benefit. If you have any questions concerning this refund, please contact
9 [Vend-Lease] at (800) [XXX-XXXX].”

10 4. Evidence of Refunds. Satisfactory evidence of the refunds required pursuant to Paragraph 3
11 shall include, at a minimum, the following for each and every loan: (i) the borrower’s loan number,
12 name, last known address, loan amount, loan date, interest charged; (ii) date of issuance of refund
13 check; and, (iii) evidence of refund in the form of a copy of the refund check or Automated Clearing
14 House deposit and accompanying correspondence sent to the borrower.

15 5. Outstanding Refunds. Vend-Lease shall be responsible for ensuring that any outstanding
16 unclaimed refund payment required by Paragraph 3(a) above is escheated to the State of California
17 pursuant to the provisions of the California Unclaimed Property Law (Code Civ. Proc., § 1500 et
18 seq.).

19 6. Remedy for Breach. Vend-Lease agrees that failure to timely comply with the conditions set
20 forth in Paragraph 3 shall result in summary denial of Vend-Lease’s application for a CFL license
21 and authorize the Commissioner to immediately seek to enforce of the terms of this Order as to
22 administrative penalties and refunds to borrowers against Vend-Lease as a final order.

23 7. Waiver of Hearing Rights. Vend-Lease acknowledges its right to an administrative hearing
24 under the CFL in connection with the orders and remedies specified herein and hereby waives its
25 right to a hearing, and to any reconsideration, appeal, or other right which may be afforded under
26 CFL sections 22712, 22171 and 22718 and to judicial review of this matter pursuant to Code of Civil
27 Procedure section 1094.5 with respect to the issuance of this Order.

28 8. Future Actions by the Commissioner. The Commissioner reserves the right to bring any
future action(s) against Vend-Lease or any of its partners, owners, officers, directors, shareholders,

1 employees, or successors for all unknown or future violations of the Financial Code. This Order shall
2 not serve to exculpate Vend-Lease or any of its partners, owners, officers, directors, shareholders,
3 employees, or successors from liability for all unknown or future violations of the CFL.

4 9. Third Party Actions. It is the intent and understanding between the parties that this Order
5 does not create any private rights or remedies against Vend-Lease, create any liability to Vend-Lease
6 or limit defenses of Vend-Lease for any person or entity not a party to this Order

7 10. Public Record. Vend-Lease hereby acknowledges that this Order is a matter of public record.

8 11. Authority to Execute. Each signatory hereto covenants that he or she possesses all
9 necessary capacity and authority to sign and enter this Order.

10 12. Effective Date. This Order shall not become effective until signed by all parties and
11 delivered by the Commissioner's counsel by email to Vend-Lease president Michael Paszkiewicz at
12 the email address mpaszkwicz@vendlease.net.

15 Dated: March 15, 2018

JAN LYNN OWEN
Commissioner of Business Oversight

18 By _____
19 MARY ANN SMITH
20 Deputy Commissioner
Enforcement Division

21 Dated: March 14, 2018

22 By _____
23 Michael Paszkiewicz, President
24 Vend-Lease Company Inc.