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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: C.L.C. BancGroup, Inc.
C.L.C. Bank
6284 Millpond Lane
Union, ON N0L 2L0
Canada
and
www.citiloanz.com

Sharon Baker
6284 Millpond Lane
Union, ON N0L 2L0
Canada
and
sntp08@gmail.com

DESIST AND REFRAIN ORDER
(For violations of sections 22100, 22161, and 50002 of the California Financial Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. C.L.C. BancGroup, Inc. and C.L.C. Bank (hereafter referred to as “C.L.C.”) have been offering services as a “bank holding company” to the general public through an Internet website and via a toll-free telephone number from January 2008 to present.
2. C.L.C.’s website, www.citiloanz.com , is registered to a “Sharon Baker” whose email address is sntp08@gmail.com and whose physical address is listed as 6284 Millpond Lane, Union, Ontario, N0L2L0, Canada. The Internet domain registrar is identified as Wild West Domains, Inc., and the web hosting company is listed as Brinkster Communications Corporation.
3. C.L.C. represents on its website that it is headquartered in Pomona, California with more than 300 banking offices in the states of Montgomery [sic], Florida, Alabama, Georgia, Nevada and

1 Texas. However, C.L.C.'s website does not provide addresses for its headquarters or any branch
2 offices and instead directs consumers to call its toll-free telephone number, (888) 387-5121, to obtain
3 contact information for local branches.

4 4. C.L.C. has not designated an agent for service of process with the California Secretary of
5 State for the purpose of conducting business in California.

6 5. C.L.C. advertises on its website that it offers consumers "a broad line of retail and
7 commercial banking products and services including checking and savings accounts, personal and
8 commercial loans, online banking, credit card [sic], merchant services, and treasury management, as
9 well as wealth management including private banking, brokerage and insurance."

10 6. C.L.C. instructs consumers seeking unsecured loans in a minimum amount of \$10,000.00
11 to submit through its website or via its toll-free phone number a loan application containing personal
12 identifying information, including the applicant's Social Security Number and date of birth.

13 7. To arrange for the above-described loans, C.L.C. falsely states that it holds California
14 Residential Mortgage Lender license number 413-0426 issued by the California Department of
15 Corporations. This license number was in fact issued by the Commissioner to a company called
16 Lendingtree Loans, which is unaffiliated with C.L.C. and has not granted C.L.C. the right to use its
17 name or license number.

18 8. The Department of Corporations has jurisdiction over and regulates finance lenders and
19 brokers under the California Finance Lenders Law codified in California Financial Code sections
20 22000 *et seq.* California Financial Code section 22100 states:

21 No person shall engage in the business of a finance lender or broker without obtaining
22 a license from the commissioner.

23 California Financial Code section 22004 sets forth the definition of "broker" and states:

24 "Broker" includes any person who is engaged in the business of negotiating or
25 performing any act as broker in connection with loans made by a finance lender.

26 California Financial Code section 22009 defines a "finance lender" in part as follows:

27 "Finance lender" includes any person who is engaged in the business of making
28 consumer loans or making commercial loans.

1 9. C.L.C. has not been issued a license from the Commissioner authorizing it to engage in
2 business as a finance lender or broker, as required by section 22100 of the California Financial Code.

3 10. C.L.C. is not exempt from the licensing requirements of California Financial Code
4 section 22100.

5 11. California Financial Code section 22161 provides that no person shall advertise, publish,
6 or broadcast in any manner any statement or representation with regard to the provisions of the
7 Finance Lenders Law that is false, misleading, or deceptive, or omits material information that is
8 necessary to make the statement not false or misleading.

9 12. By falsely advertising via its website that C.L.C. is authorized to finance loans in
10 California under the auspices of a residential mortgage license that was in fact issued to an
11 unaffiliated lender, C.L.C. has violated California Financial Code section 22161.

12 13. Pursuant to California Financial Code section 22712, whenever the Commissioner is of
13 the opinion that a person is engaged in business as a broker or finance lender without a license, the
14 Commissioner may order that person to desist and refrain from committing further violations. If a
15 hearing is not held within 30 days after a written request is filed, the order is rescinded.

16 14. The Department of Corporations has jurisdiction over and regulates residential mortgage
17 lenders and servicers under the California Residential Mortgage Lending Act found in California
18 Financial Code sections 50000 *et seq.* California Financial Code section 50002 states in part:

19 No person shall engage in the business of making residential mortgage loans or
20 servicing residential mortgage loans, in this state, without first obtaining a license
21 from the commissioner....

22 15. C.L.C. has not been issued a license from the Commissioner authorizing it to conduct
23 business as a residential mortgage lender or servicer, as required by California Financial Code section
24 50002.

25 16. C.L.C. is not exempt from the licensing requirements of California Financial Code
26 section 50002.

27 17. Pursuant to California Financial Code section 50320, whenever the Commissioner is of
28 the opinion that a person is engaged, either actually or through subterfuge, in the business of making

1 or servicing residential mortgage loans without a license, the Commissioner may order that person to
2 desist and refrain from committing further violations. If within 30 days of service of the order, a
3 request for hearing is not filed in writing and a hearing not held within 60 days of the filing, the order
4 is rescinded.

5 Based upon the foregoing findings, the California Corporations Commissioner is of the
6 opinion that C.L.C. BancGroup, Inc., C.L.C. Bank, and Sharon Baker, and their officers, directors,
7 partners, agents, employees and/or servants are in violation of California Financial Code sections
8 22100, 22161, and 50002. Pursuant to California Financial Code sections 22712 and 50320, C.L.C.
9 BancGroup, Inc., C.L.C. Bank, and Sharon Baker are hereby ordered to desist and refrain from
10 publishing false statements and engaging in the financing, brokering, or servicing of loans without
11 first obtaining a license from the Commissioner.

12 This Order is necessary, in the public interest, for the protection of investors and consistent
13 with the purposes, policies and provisions of the California Finance Lenders Law and the California
14 Residential Mortgage Lending Act. This order shall remain in full force and effect until further order
15 of the California Corporations Commissioner.

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17 Dated: April 16, 2008
18 Los Angeles, California

19 PRESTON DuFAUCHARD
20 California Corporations Commissioner

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22 By: _____
23 ALAN S. WEINGER
24 Lead Corporations Counsel

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