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9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA
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12 In the Matter of:)
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
14 Complainant,)
15 v.)
16 WESLEYAN INVESTMENT FOUNDATION,)
INC,)
17 Respondent.)
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19 This Consent Order is entered between the Department of Business Oversight (Department)
20 through the Commissioner of Business Oversight (Commissioner), on the one hand, and Wesleyan
21 Investment Foundation, Inc. on the other hand (hereafter, the Parties), and is made with respect to the
22 following:

23 RECITALS

24 A. At all relevant times, Wesleyan Investment Foundation, Inc. (WIF) was a company
25 formed in Indiana in February 1960 with a current business address of 13300 Olio Road, Fishers,
26 Indiana 46037.
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1 B. Beginning in 1960, WIF offered Church Extension Fund securities known as “Deposit
2 Investments.” Deposit Investments are unsecured debt obligations of WIF, which are used to finance
3 loans to churches and church-related organizations related to the Wesleyan Church Corporation. In
4 exchange for making these loans, investors receive interest payments at varying rates depending on
5 the amount of the loan they make to WIF. The earliest known offer and sale of Deposit Investments
6 securities in the State of California occurred in 1971. As of December 31, 2017, approximately 162
7 individuals in California invested in the Deposit Investments securities, with remaining investment
8 balances ranging between \$25.00 to \$756,355.50.

9 C. The Commissioner is of the opinion that the Deposit Investments offered by WIF are
10 securities subject to qualification under the Corporate Securities Law of 1968 (Corp. Code, § 25000
11 et seq.) (CSL) that have been offered or sold without first being qualified in violation of Corporations
12 Code section 25110.

13 D. WIF admits to paragraphs A through C of this Recital, admits to the jurisdiction of the
14 Commissioner with respect to the subject matter hereof, and agrees to the execution of this Consent
15 Order as a resolution of the matter without the need to initiate litigation.

16 E. The Commissioner finds this Consent Order is appropriate, in the public interest, for
17 the protection of investors, and consistent with the purposes fairly intended by the policy and
18 provisions of the CSL.

19 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
20 herein, the Parties agree as follows:

21 TERMS AND CONDITIONS

22 1. Purpose. The purpose of this Consent Order is to resolve the foregoing issues in a
23 manner that avoids the expense of a hearing and possible other court proceedings.

24 2. Desist and Refrain Order. WIF is hereby ordered to desist and refrain from the further
25 offer or sale of securities, in the State of California, including but not limited to Church Extension
26 Fund securities known as “Deposit Investments,” in violation of Corporations Code section 25110 of
27 the CSL unless and until qualification has been made under said law or unless the security is exempt.
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1 3. Waiver of Hearing Rights. WIF has read this Consent Order, is aware of its rights to
2 a hearing and appeal in this matter if a formal enforcement action had been commenced to request
3 the relief specified under this Consent Order, and elects to permanently waive any right to a hearing
4 and appeal, including those rights under the CSL, the California Administrative Procedures Act
5 (Gov. Code, § 11400 et seq.), and the Code of Civil Procedure with respect to the issuance of the
6 Desist and Refrain Order specified in Paragraph 2.

7 4. Future Actions by the Commissioner. The Parties acknowledge and agree that nothing
8 contained in this Consent Order shall operate to limit the Commissioner's ability to assist any other
9 (county, state or federal) agency with any prosecution, administrative, civil or criminal, brought by
10 any such agency against WIF based upon the subject matter hereof or otherwise. This Consent Order
11 shall not limit the ability of the Commissioner to bring any administrative or civil action to enforce
12 compliance with this Consent Order or to seek penalties for its violation. Further, the Commissioner
13 reserves the right to bring any future action(s) against WIF or any of the managers, officers, directors,
14 shareholders or employees of WIF for all unknown or future violations of the CSL.

15 5. Independent Legal Advice. WIF represents, warrants, and agrees that it has had the
16 opportunity to seek independent advice from legal counsel and/or representative with respect to the
17 advisability of executing this Consent Order.

18 6. No Other Representation. Each of the Parties represents, warrants, and agrees that in
19 executing this Consent Order each has relied solely on the statements set forth herein and the advice
20 of its own counsel and/or representative. Each of the Parties further represents, warrants, and agrees
21 that in executing this Consent Order it has placed no reliance on any statement, representation, or
22 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
23 failure of any party or any other person or entity to make any statement, representation or disclosure
24 of anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any
25 party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the
26 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
27 Order.

28 7. Modifications and Qualified Integration. No amendment, change, or modification to

1 this Consent Order shall be valid or binding to any extent unless it is in writing and signed by all the
2 Parties affected by it.

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

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

16 10. Effect Upon Future Proceedings. If WIF applies for any license, permit or
17 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
18 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
19 admitted for the purpose of such application(s) or enforcement proceedings(s).

20 11. Counterparts. This Consent Order may be executed in one or more counterparts, each
21 of which shall be an original but all of which, together, shall be deemed to constitute a single
22 document.

23 12. Terms, Headings and Governing Law. All terms used, but not defined herein, shall
24 have the meaning assigned to them by the CSL. The headings to the paragraphs of this Consent
25 Order are inserted for convenience only and will not be deemed a part hereof or affect the
26 construction or interpretation of the provisions hereof. This Consent Order shall be construed and
27 enforced in accordance with, and governed by, the laws of the State of California.

28 13. Authority for Settlement. Each party warrants and represents that such party is fully

1 entitled and duly authorized to enter and deliver this Consent Order. In particular, and without
2 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to
3 enter the covenants, and undertake the obligations set forth herein.

4 14. Public Record. WIF acknowledges that this Consent Order is a public record. WIF
5 further understands and agrees to not make any statement or representation that is inconsistent with
6 the Consent Order.

7 15. Voluntary Agreement. The Parties each represent and acknowledge that in executing
8 this Consent Order, each does so completely voluntarily and without any duress or undue influence of
9 any kind from any source.

10 17. Effective Date: This Consent Order shall become effective when executed by the
11 Commissioner or her designee and transmitted by electronic mail (email) to WIF's counsel at
12 regina.sharrow@FaegreBD.com.

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14 Dated: 4/11/18 JAN LYNN OWEN
15 Commissioner of Business Oversight

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

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22 Dated: 4/10/18 WESLEYAN INVESTMENT FOUNDATION, INC.

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24 By: _____
25 CRAIG A. DUNN
26 Chief Executive Officer

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