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4 Department of Business Oversight
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7 Attorneys for Complainant

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

10
11 In the Matter of:) CFLL LICENSE NOS.: 603-8193; 603-J989 &
) 603-K227
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,)
)
14 Complainant,) SETTLEMENT AGREEMENT
)
15 v.)
)
16 WHEELS FINANCIAL GROUP, LLC doing)
17 business as LOANMART, 800 LOANMART,)
18 1800 LOANMART, W.F.G.,)
19 NEEDCASHNOW.COM, RETAINER)
20 FUNDING SERVICES, and FUNERAL)
21 FUNDING SERVICES,)
)
 Respondent.)

22 This Agreement is entered into between Respondent Wheels Financial Group, LLC (“Wheels
23 Financial”) and Complainant the Commissioner of Business Oversight (“Commissioner”), and is
24 made with respect to the following facts:

25 **RECITALS**

26 A. Wheels Financial is a limited liability company in good standing, duly formed and
27 existing pursuant to the laws of the State of California.
28

1 B. Wheels Financial is a finance lender and broker licensed by the Commissioner
2 pursuant to the California Finance Lender Law ("CFLL") (Fin. Code § 22000 et seq.). Wheels
3 Financial had its principal place of business located at 15821 Ventura Boulevard, Suite 280, Encino,
4 California 91436 until February 1, 2017, when it relocated to 15400 Sherman Way, Suite 170, Van
5 Nuys, California 91406. Previously, Wheels Financial has two branch locations at 3400-C La Sierra
6 Avenue, Riverside, California 92503 and 5805 Sepulveda Boulevard, Suite 100, Van Nuys,
7 California 91411.

8 C. The Department of Business Oversight ("Department"), through the Commissioner,
9 has jurisdiction over the licensing and regulation of persons and entities engaged in the business of
10 lending and/or brokering pursuant to the CFLL.

11 D. Pursuant to the CFLL, the Commissioner has authority to issue orders to desist and
12 refrain from violations of the CFLL, to deny, suspend, or revoke licenses pending or issued under
13 the CFLL, and to assess penalties.

14 E. On or about November 19, 2013, the Commissioner, by and through staff,
15 commenced a regulatory examination of the books and records of Wheels Financial ("2013
16 regulatory examination"). Pursuant to the 2013 regulatory examination, the Commissioner contends
17 that Wheels Financial committed numerous violations of the CFLL, including (i) using names that
18 have not been approved by the Commissioner in violation of Financial Code sections 22155 and
19 22161 and the Desist and Refrain Order issued against Wheels Financial on July 11, 2013 ("Order");
20 (ii) engaging in blind advertisements in violation of Financial Code sections 22155 and 22161,
21 California Code of Regulations, title 10, section 1557, and the Order; (iii) filing a false report with
22 the Commissioner in violation of Financial Code section 22170, subdivision (a); (iv) compensating
23 unlicensed persons for soliciting or accepting applications for loans in violation of California Code
24 of Regulations, title 10, section 1451, subdivision (c); (v) conducting unlicensed brokering from its
25 Illinois branch in violation of Financial Code section 22100; and (vi) failing to maintain proper
26 books and records in violation of Financial Code section 22156.

27 F. Wheels Financial has advised the Commissioner that it desired to resolve the findings
28 of the 2013 regulatory examination informally and cooperatively by way of settlement.

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

3 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
4 forth herein, the parties agree as follows:

5 **TERMS AND CONDITIONS**

6 1. This Agreement is entered into for the purpose of judicial economy and expediency,
7 and to avoid the expense of a hearing, and possible further court proceedings.

8 2. Wheels Financial admits service of a copy of the Accusation issued in this matter
9 concurrently herewith. A true and correct copy of the Accusation is attached and incorporated
10 herein as Exhibit A. Wheels Financial waives issuance by the Commissioner of a Statement to
11 Respondent and/or Notice of Defense as provided for in Government Code section 11505.

12 3. Wheels Financial hereby agrees to the immediate issuance by the Commissioner of an
13 order requiring Wheels Financial to desist and refrain from violating Financial Code sections 22100,
14 22155, 22156, 22159, subdivision (b), 22161, and 22170, subdivision (a), and California Code of
15 Regulations, title 10, sections 1451, subdivision (c) and 1557 (the “Stipulated Desist and Refrain
16 Order”). A copy of the Stipulated Desist and Refrain Order is attached and incorporated herein as
17 Exhibit B. Wheels Financial hereby agrees that the Stipulated Desist and Refrain Order is hereby
18 deemed a final order.

19 4. Wheels Financial shall pay to the Commissioner, upon execution of this Agreement,
20 the sum of \$450,000.00, which sum represents administrative penalties of \$250,000.00, and legal,
21 investigative and clerical costs of \$200,000.00. The payment shall be made by certified check
22 payable to the Department of Business Oversight and shall be sent to the Department, attention,
23 Accounting-Litigation, 1515 K Street, Suite 200, Sacramento, CA 95814-4052.

24 5. The Commissioner hereby agrees to amend the Desist and Refrain Order issued
25 against Wheels Financial on January 20, 2016 as set forth in the Amended Desist and Refrain Order
26 (the Amended Desist and Refrain Order”) attached and incorporated as Exhibit C. Wheels Financial
27 hereby agrees that the Amended Desist and Refrain Order is hereby deemed a final order. The
28 Commissioner acknowledges that Wheels Financial has fully complied with the Amended Desist and

1 Refrain Order.

2 6. Wheels Financial acknowledges its right to an administrative hearing under the CFLL
3 in connection with the matters resolved herein and hereby waives that right to a hearing, and to any
4 reconsideration, appeal, or other rights which may be afforded pursuant to the CFLL, the California
5 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
6 in connection with these matters.

7 7. Wheels Financial agrees that failure to comply with any of the provisions set forth in
8 this Settlement Agreement shall constitute grounds for disciplinary action under the CFLL.

9 8. Except as set forth in paragraph 7 above, in consideration of Wheels Financial’s
10 agreement to the issuance of the Stipulated Desist and Refrain Order, the finality of the Amended
11 Desist and Refrain Order, and payment of penalties and costs as provided for in paragraphs 3 - 5
12 above, the Commissioner hereby agrees not to suspend the finance lender and broker licenses of
13 Wheels Financial.

14 9. This Agreement may be revoked and the Commissioner may pursue any and all
15 remedies available under law against Wheels Financial, if the Commissioner later finds out that
16 Wheels Financial knowingly or willfully withheld information used and relied upon in this
17 Agreement.

18 10. This Agreement is binding on all heirs, assigns and/or successors in interest.

19 11. This Agreement does not create any private rights or remedies against Wheels
20 Financial, create any liability for Wheels Financial or limit defenses of Wheels Financial for any
21 person or entity not a party to this Agreement.

22 12. The parties hereby acknowledge and agree that this Settlement Agreement is intended to,
23 and does, constitute a full, final and complete resolution of the Accusation and the January 20, 2016
24 Desist and Refrain Order and that no further proceedings or actions will be brought by the
25 Commissioner in connection with Accusation and the January 20, 2016 Desist and Refrain Order
26 under the CFLL, or any other provision of law, to include through December 31, 2015, excepting
27 therefrom any proceeding or action if such proceeding or action is based upon facts not presently
28 known to the Commissioner and which were actively concealed from the Commissioner by Wheels

1 Financial.

2 13. The parties further acknowledge and agree that nothing contained in this Agreement
3 shall operate to limit the Commissioner's ability to assist any other agency, (city, county, state or
4 federal) with any prosecution, administrative, civil or criminal, brought by any such agency against
5 Wheels Financial or any other person based upon any of the activities alleged in these matters or
6 otherwise.

7 14. Each of the parties represents, warrants, and agrees that it has received independent
8 advice from its attorney(s) and/or representatives with respect to the advisability of executing this
9 Agreement.

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

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

25 17. In that the parties have had the opportunity to draft, review and edit the language of
26 this Agreement, no presumption for or against any party arising out of drafting all or any part of this
27 Agreement will be applied in any action relating to, connected, to, or involving this Agreement.
28 Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor

1 or amended statute, providing that in cases of uncertainty, language of a contract should be
2 interpreted most strongly against the party who caused the uncertainty to exist.

3 18. The waiver of any provision of this Agreement shall not operate to waive any other
4 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement
5 must be in writing signed by the parties.

6 19. This Agreement shall not become effective until signed and delivered by all parties.

7 20. This Agreement may be executed in one or more counterparts, each of which shall be
8 an original but all of which, together, shall be deemed to constitute a single document. This
9 Agreement may be executed by facsimile signature, and any such facsimile signature by any party
10 hereto shall be deemed to be an original signature and shall be binding on such party to the same
11 extent as if such facsimile signature were an original signature.

12 21. Each signatory hereto covenants that he/she possesses all necessary capacity and
13 authority to sign and enter into this Agreement.

14 Dated: 2/27/17 JAN LYNN OWEN
15 Commissioner of Business Oversight

16 By _____
17 MARY ANN SMITH
18 Deputy Commissioner

18 Dated: 2/22/17 WHEELS FINANCIAL GROUP, LLC

19 By _____
20 HUGO DOONER, President

21 APPROVED AS TO FORM:
22 STROOK & STROOK & LAVAN LLP.

23 By _____
24 BENJAMIN G. DIEHL, ESQ. Attorneys for
25 WHEELS FINANCIAL GROUP, LLC

26 Commissioner of Business Oversight

27 By _____
28 JUDY L. HARTLEY
Senior Counsel