

STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Zero Parallel, LLC  
505 North Brand Boulevard, 16th Floor  
Glendale, California 91203

AMENDED DESIST AND REFRAIN ORDER  
(For violations of California Financial Code Sections 22100 and 23005)

The Commissioner of Business Oversight (Commissioner) finds that:

1. The Commissioner is authorized to pursue administrative actions and remedies against persons who engage in violations of the California Financing Law (Financial Code § 22000, *et seq.*) (CFL) and the California Deferred Deposit Transaction Law (Financial Code § 23000, *et seq.*) (CDDTL).

2. Zero Parallel, LLC (Zero Parallel) is a California limited liability company with its principal place of business at 505 North Brand, 16th Floor, Glendale, California 91203.

3. Zero Parallel publicly describes itself as a digital marketing company that operates as an online lead generator and lead aggregator for short-term, small-dollar loans across the United States. Zero Parallel’s services have been described in vendor contracts in the past as follows: “Zero Parallel is the owner and operator of websites that assist consumers in finding loans by collecting consumers’ loan applications online and forwarding the applications to prospective lenders making payday and installment loans.”

4. Zero Parallel collects payday loan and longer-term loan applications from consumers directly at its websites OnlinePersonalLoans.com, LendYou.com, and MyInstallmentLoans.com (Zero Parallel Websites). On the Zero Parallel Websites, consumers are urged to “apply now for online personal loans” or to “apply for the loan that best fits your needs” by completing an application form that collects the consumer’s social security number; driver’s license number; banking account number; desired loan amount; and other personal identifying information. In a press release announcing the debut of OnlinePersonalLoans.com, Zero Parallel touted that its new website

1 “simplifies the process of registering for a loan and offers no-collateral personal loans [up to]  
2 \$15,000. . . . Consumers can start their application immediately, speak with lenders directly, and  
3 compare lenders – all from the convenience of their mobile device.”

4 5. In addition to its direct collection of applications on the Zero Parallel Websites, Zero  
5 Parallel acquires consumer loan applications and application data from third-party websites.

6 6. Under the guise of “matching” consumers with lenders, Zero Parallel sells the  
7 consumer loan applications and application data it collects to the highest-bidding of its lender  
8 partners by means of a “ping tree.”

9 7. Zero Parallel represents to the Commissioner that Zero Parallel is paid a fixed amount  
10 by its lender partners when a lender purchases a lead for a consumer referred or “matched” by Zero  
11 Parallel.

12 8. Zero Parallel sold applications and application data of California residents to at least  
13 85 lenders or purported lender affiliates. Approximately 12 of those 85 lenders hold or held a license  
14 under the CFL and/or the CDDTL (California-licensed Lenders). The majority of the remaining 73  
15 lenders or purported lender affiliates make loans outside of the authority of the CFL and the CDDTL  
16 and are either tribal-affiliated or operate off-shore.

17 9. Some of the California consumers whom Zero Parallel “matched” with California-  
18 licensed Lenders obtained a loan made under the CFL or a deferred deposit transaction (payday loan)  
19 made under the CDDTL.

20 10. Zero Parallel has never obtained a license under the CFL or the CDDTL.

21 11. Financial Code section 22100, subdivision (a), provides that “[n]o person shall  
22 engage in the business of a . . . broker without obtaining a license from the commissioner.”

23 12. Financial Code section 22004 defines “broker” to “include[] any person who is  
24 engaged in the business of . . . performing any act as broker in connection with loans made by a  
25 finance lender.”

26 13. Collecting consumer loan applications or application data and forwarding it to a  
27 lender licensed under the CFL for the purposes of making of a CFL loan is an act of a broker under  
28 the CFL. (*See, e.g.*, Financial Code § 22602, subd. (c) [inferentially listing activities that require a

1 broker license, including “[c]ounseling or advising the borrower about a loan[.]” “[p]articipating in  
2 the preparation of any loan documents, including credit applications[.]” “[g]athering loan  
3 documentation from the borrower or delivering the documentation to the licensee[.]” and  
4 “[o]btaining the borrower’s signature on documents”]; Cal. Code Regs., tit. 10, § 1422, subd. (c)  
5 “[F]inance lenders may not pay compensation for brokerage services (i.e., brokerage commission,  
6 finder’s fee, referral fees, etc.) to anyone not licensed as a broker under [the CFL.]”]; Cal. Code  
7 Regs., tit. 10, § 1451, subd. (c) [CFL-licensed lender “shall [not] pay any compensation to an  
8 unlicensed person or company for soliciting or accepting applications for loans[.]”]; Sen. Com. on  
9 Banking and Finance, Analysis of Sen. Bill 197 (2015-2016 Reg. Sess.) as amended Aug. 31, 2015,  
10 p. 4 [“Existing [CFL] regulations prohibit [CFL] licensees from paying any compensation to any  
11 person or company that is unlicensed, in exchange for the referral of business.”].)

12 14. Financial Code section 22712, subdivision (a), provides, in relevant part:

13 Whenever, in the opinion of the commissioner, any person is engaged in  
14 the business as a broker . . . without a license from the commissioner, . . .  
15 the commissioner may order that person . . . to desist and to refrain from  
engaging in the business or further violating [the CFL].

16 15. Financial Code section 23005, subdivision (a), provides, in relevant part:

17 A person shall not . . . arrange a deferred deposit transaction for a deferred  
18 deposit originator . . . or assist a deferred deposit originator in the  
19 origination of a deferred deposit transaction without first obtaining a  
20 license from the commissioner and complying with the provisions of [the  
CDDTL.]

21 16. Financial Code section 23050 provides:

22 Whenever, in the opinion of the commissioner, any person is engaged in  
23 the business of deferred deposit transactions . . . without a license from the  
24 commissioner, . . . the commissioner may order that person . . . to desist  
and to refrain from engaging in the business or further violating [the  
CDDTL].

25 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that  
26 Zero Parallel, LLC violated Financial Code section 22100, subdivision (a), by engaging in the  
27 business of a broker without obtaining a license from the commissioner. Pursuant to Financial Code  
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1 section 22712, subdivision (a), Zero Parallel, LLC is hereby ordered to desist and refrain from  
2 violating Financial Code section 22100, subdivision (a).

3 Based on the foregoing, the Commissioner of Business Oversight is further of the opinion that  
4 Zero Parallel, LLC violated Financial Code section 23005, subdivision (a), by assisting a deferred  
5 deposit originator in the origination of a deferred deposit transaction without first obtaining a license  
6 from the Commissioner. Pursuant to Financial Code section 23050, Zero Parallel, LLC is hereby  
7 ordered to desist and refrain from violating Financial Code section 23005, subdivision (a).

8 This Order is necessary, in the public interest and consistent with the purposes, policies, and  
9 provisions of the California Financing Law and the California Deferred Deposit Transaction law.  
10 This Order shall remain in full force and effect until further order of the Commissioner.

11  
12 Dated: February 21, 2019  
13 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

14  
15 By: \_\_\_\_\_  
16 MARY ANN SMITH  
17 Deputy Commissioner  
18 Enforcement Division  
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