

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

4 To: Fox Institution
5 Fox Bank
6 17415 Catalpa Street, #7
7 Hesperia, California 92345

8 CEASE AND DESIST ORDER
9 (For violations of Financial Code sections 561 and 562)

10 The Commissioner of Business Oversight (Commissioner) finds that:

- 11 1. Fox Institution, aka Fox Bank, is a business (form unknown) with a place of business at 17415 Catalpa Street, #7, Hesperia, California, 92345.
- 12 2. At all relevant times herein, Fox Institution maintained a website at www.foxbank.org which uses the names Fox Institution and Fox Bank interchangeably.
- 13 3. At all relevant times herein, Fox Institution aka Fox Bank held itself out as a bank available to customers and investors in the State of California.
- 14 4. Fox Institution’s website states, “as a Sovereign Indian Private Institution, we utilize private assets and cash on deposits of over \$100 Billion USD for the benefit of the American Indian First Nations and other nations accepted by our annual tribal board statutes and initiatives.”
- 15 5. Fox Institution’s mission statement states that it seeks, “[t]o serve the needs of the American Indian Tribes, and their friends and neighbors. To offer the best services, under the best terms and conditions, available in our market by becoming the first choice for all financial services and information.”
- 16 6. Under the “Bank Services” tab of the webpage, it states that “Fox Bank offers an array of account types and protection to serve the needs of our clients. We exist to provide all the needs of our clients from savings accounts, checking accounts, to money market accounts, to custodial accounts and safe keeping receipts. Fox Bank has what it takes to service the working customer as well as he sophisticated investor.”

1 7. Under the “Banking Services” tab to the website, it lists available products and
2 services as:

- 3 • Savings
- 4 • Traditional Savings Account
- 5 • Money Market
- 6 • Youth Saver
- 7 • Savings Certificates
- 8 • Checking
- 9 • Overdraft Protection

10 8. Financial Code section 561 states:

11 No person who has not received a certificate from the commissioner
12 authorizing it to engage in the banking business shall . . . make use
13 of or circulate any letterheads, billheads, blank notes, blank receipts,
14 certificates, or circulars, or any written or printed paper, whatever,
15 having thereon any artificial or corporate name or other words
16 indicating that the business is the business of a bank or trust
company, or transact business in a way or manner as to lead the
public to believe that its business is that of a bank or trust company,
except to the extent expressly authorized by this division.

17 9. Financial Code section 562 states in pertinent part,

18 No person who has not received a certificate from the commissioner
19 authorizing it to engage in the banking business shall transact
20 business under any name or title that contains the word ‘bank’ or
21 ‘banker’ or ‘banking’ . . . or act or advertise in any manner that
indicates that the business is the business of a bank

22 10. The Commissioner has not issued a certificate to Fox Institution or Fox Bank
23 authorizing them to engage in the banking business or transact business under any name or title that
24 contains the word “bank” or “banking.”

25 11. Financial Code section 567 provides:

26 If the commissioner finds that a person has conducted, or that there
27 is reasonable cause to believe that a person is about to conduct,
28 business that requires a license issued by the commissioner and that
person has not been issued the required license, the commissioner
may, without any prior notice or hearing, order the person to cease

1 and desist from conducting any unauthorized business unless and
2 until the person is issued a license to engage in appropriate licensee
3 business.

4 12. On March 3, 2010, the Department of Financial Institutions (now a division of the
5 Department of Business Oversight) issued an order against Fox Bank, warning Fox Bank to cease
6 and desist from doing business in the State of California without a license from the Commissioner
7 of Financial Institutions.

8 13. Although on its website, Fox Institution aka Fox Bank, claims to be a Sovereign
9 Indian Private Institution, it offers no proof of an exemption from licensing required by the Federal
10 Deposit Insurance Corporation, state regulators, or any other regulatory authority in connection
11 with its banking activities, or otherwise.

12 14. Moreover, Fox Institution aka Fox Bank, has also failed to show that it has satisfied
13 any of the licensing deficiencies which lead to the March 3, 2010 cease and desist order.

14 15. Based on the foregoing findings, the Commissioner of Business Oversight is of the
15 opinion that Fox Institution aka Fox Bank has made use of written or printed paper having thereon a
16 corporate name or other words indicating that the business is the business of a bank, or have
17 transacted business in a way or manner as to lead the public to believe that its business is that of a
18 bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the
19 banking business in this state, in violation of Financial Code section 561.

20 16. The Commissioner of Business Oversight is of the further opinion that Fox
21 Institution, aka Fox Bank, advertised in a manner that indicates that its business is the business of a
22 bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the
23 banking business in this state, in violation of Financial Code section 562.

24 17. Pursuant to Financial Code section 567, Fox Institution aka Fox Bank is hereby
25 ordered to cease and desist from making use of written or printed paper having thereon a corporate
26 name or other words indicating that the business is the business of a bank, or transacting business in
27 a way or manner as to lead the public to believe that its business is that of a bank, without first
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1 obtaining a certificate from the Commissioner authorizing them to engage in the banking business
2 in this state, or otherwise being exempt.

3 18. Pursuant to Financial Code section 567, Fox Institution aka Fox Bank is hereby
4 ordered to cease and desist from transacting business under a name that contains the word
5 “banking,” or acting or advertising in a manner that indicates that the business is the business of a
6 bank, without first obtaining a certificate from the Commissioner authorizing them to engage in the
7 banking business in this state, or otherwise being exempt.

8 19. This Order is necessary, in the public interest, for the protection of consumers and is
9 consistent with the purposes, policies and provisions of the California Financial Institutions Law.

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11 Dated: February 22, 2019
12 San Francisco, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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15 By _____
16 Mary Ann Smith
17 Deputy Commissioner
18 Enforcement Division
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