

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

TO: Greenwood Commercial Bank
555 12th Street, Suite 500
Oakland, California 94607

CEASE AND DESIST ORDER
(Financial Code section 567)

The Commissioner of Business Oversight ("Commissioner") finds:

1. The Commissioner has jurisdiction to license and regulate persons and entities engaged in the business of banking in California, pursuant to the Banking Law (Fin. Code § 500 et seq.).
2. At all relevant times, Greenwood Commercial Bank ("Greenwood") was located at 555 12th Street, Suite 500, Oakland, California, 94607. Greenwood also does business over the Internet at greenwoodcmbn.com and is using an email address of info@greenwoodcmb.com. Greenwood's website claims to do business through a branch office located at the London School of Economics. Greenwood's website states that its "head office" is the Oakland, California address.
3. At all relevant times, Greenwood claimed to be a bank registered by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in the United Kingdom.
4. Since at least August 2016, Greenwood has used the word "bank" in its name.
5. Since at least August 2016, Greenwood has been conducting banking business by offering loans and savings accounts. These services are advertised on Greenwood's website.
6. Financial Code section 560 provides no person shall solicit or receive deposits unless it has received a certificate issued by the Commissioner authorizing it to engage in the banking business.
7. Financial Code section 561 provides no person shall advertise that it is accepting deposits unless it has received a certificate issued by the Commissioner authorizing it to engage in the

1 banking business.

2 8. Financial Code section 562 provides no person shall use the word "bank" in its name
3 unless it has received a certificate issued by the Commissioner authorizing it to engage in the banking
4 business.

5 9. As of the date of this Order, Greenwood has not been issued a certificate by the
6 Commissioner authorizing it to engage in the banking business.

7 Based upon the foregoing, the Commissioner finds that Greenwood Commercial Bank
8 violated Financial Code section 562 by using a name which contains the word "bank" without having
9 first obtained a certificate from the Commissioner authorizing it to engage in the banking business.

10 Further, the Commissioner finds that Greenwood Commercial Bank offered loans and
11 solicited deposits without receiving a certificate from the Commissioner authorizing it to engage in
12 the banking business, in violation of Financial Code section 560.

13 Further, the Commissioner finds that Greenwood Commercial Bank violated Financial Code
14 section 561 by advertising that it is accepting deposits without receiving a certificate from the
15 Commissioner authorizing it to engage in the banking business.

16 Under the authority granted to the Commissioner by Financial Code section 567, Greenwood
17 is hereby ordered to cease and desist from using the name "Greenwood Commercial Bank" until it
18 obtains a certificate from the Commissioner authorizing it to engage in the banking business.
19 Greenwood is further ordered to cease and desist from soliciting deposits and advertising that it is
20 accepting deposits and offering loans without first obtaining a certificate from the Commissioner
21 authorizing it to engage in the banking business.

22 This Order is necessary, in the public interest, for the protection of consumers, and is
23 consistent with the purposes, policies and provisions of the Banking Law.

24 Dated: November 3, 2016
25 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

27 By _____/s/_____
28 LILA MIRRASHIDI
Deputy Commissioner, Legal Division