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

10
11 In the Matter of:) CFL LICENSE NOS. 603J504, 60DBO-44068,
12 THE COMMISSIONER OF BUSINESS) 60DBO-44412, 60DBO-45122, 60DBO-49902,
OVERSIGHT,) 60DBO-50349, 60DBO-53128, 60DBO-58432,
13) 60DBO-72068, 60DBO-75789, 60DBO-78947,
14 Complainant,) 60DBO-79084 and 60DBO-79604
15 v.)
16 INTEGRITY FIRST FINANCIAL GROUP,)
17 INC.,)
18 Respondents.)
19)

20 This Consent Order is entered into between the Commissioner of Business Oversight
21 (Commissioner) and Integrity First Financial Group, Inc., and is made with respect to the following
22 facts:

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I.
RECITALS

A. The Commissioner as the chief officer of the Department of Business Oversight (Department) has jurisdiction over the license and regulation of persons and entities engaged in the business of finance lending under the California Financing Law (CFL) (Financial Code, § 22000, et seq.) and the regulations promulgated under title 10 of the California Code of Regulations (CCR) (Cal. Code Regs, tit. 10, § 1404 et seq.).¹

B. Integrity First Financial Group (Integrity First) is a California corporation formed under the laws of that state on March 29, 2007, with a principal place of business located at 6333 Greenwich Drive, Suite 280, San Diego, California, 92122.

C. Integrity First obtained a California Finance Lender’s License on April 24, 2012.

D. On January 28, 2019, the Department of Business Oversight contacted Integrity First about scheduling a regulatory examination for March 2019. This is a regularly scheduled examination as a requirement of holding the CFL license.

E. On January 30, 2019, Integrity First Financial Group communicated by electronic mail to the Department of Business Oversight that the company intended to surrender their CFL license in lieu of the upcoming examination pursuant to §22700(c).

F. On February 11, 2019, a surrender request signed by Trevor Gates, Chief Financial Officer of Integrity First was received by the Department.

G. Integrity First was advised after it submitted the request for surrender that there was a pending Enforcement investigation related to former employee Samuel Okenyi and potential unlicensed lending activity while Okenyi was employed by Integrity First. Additionally, a review of Integrity First revealed substantial loan activity in California for the last four years.

H. On February 14, 2019, a deficiency email was forwarded to Integrity First requesting surrender documentation for twelve (12) active branches.

¹ All further statutory references are to the Financial Code unless otherwise indicated.

1 I. In response to that deficiency email, on February 21, 2019, Integrity First advised
2 that it is no longer doing business in California and would like to formally surrender all branch
3 locations under the California Finance Law.

4 J. Section 22700(c) provides that a surrender of a license cannot be accepted if there is
5 a proceeding to revoke or suspend or to impose conditions upon the surrender.

6 K. Because of the pending Enforcement investigation, the parties have agreed to the
7 terms of surrender as set forth in this Consent Order.

8 L. It is the intention and desire of the parties to resolve this matter without the necessity
9 of a hearing or other litigation.

10 M. The Commissioner finds that this Consent Order is appropriate, in the public interest
11 and consistent with the purposed fairly intended by the policy and provisions of the CFL.

12 NOW, THEREFORE, in consideration of the foregoing and under the terms and conditions
13 set forth herein, the Parties stipulate as follows:

14 **II.**

15 **TERMS AND CONDITIONS**

16
17 1. Purpose: This Consent Order sets forth the terms of the Surrender of the CFL
18 Licenses issued to Integrity First in a manner that avoids the expense of a hearing and possible
19 further court proceedings, is in the public interest, protects consumers and is consistent with the
20 purposes, policies and provisions of the CFL.

21 2. Conditions on Surrender: Integrity First warrants and represents that Samuel Okenyi
22 did not participate in any unlicensed loan activity while an employee of Integrity First.

23 (A) As a condition of this Consent Order, Integrity First agrees to provide within twenty
24 (20) days of the execution of this order, Integrity First will provide all documents that reflect the
25 work completed by Samuel Okenyi which establish that there was no unlicensed activity engaged in
26 by Samuel Okenyi during the time that he was an employee of Integrity First.

27 (B) The Parties further agree that in the event that further investigation determines that
28 Okenyi engaged in unlicensed activity while an employee of Integrity First, the Department of

1 Business Oversight can consider this activity in assessing any further applications for a CFL license
2 by Integrity First Financial and/or any of their principals.

3 3. Waiver of Hearing Rights: Integrity First acknowledge that the Commissioner is
4 ready, willing and able to proceed with the filing of an administrative enforcement action on the
5 charges contained herein. Integrity First hereby waives any right to a hearing, and to any
6 reconsideration, appeal, injunction, or other rights to review which may be afforded pursuant to the
7 Corporations Code, the California Administrative Procedure Act, the Code of Civil Procedure, or
8 any other provision of law. Integrity First further expressly waive any requirement for the filing of
9 an Accusation that may be afforded by Government Code section 11415.60, subdivision (b), the
10 California Administrative Procedure Act, the Code of Civil Procedure and any other provisions of
11 law; and by so waiving, Integrity First effectively consent to this Consent Order herein becoming
12 final.

13 4. Future Actions by the Commissioner: If Integrity First fails to comply with any terms
14 of the Consent Order, the Commissioner may institute proceedings for any and all violations
15 otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any
16 future actions against Integrity First, or any of its partners, owners, officers, shareholders, directors,
17 employees or successors for any and all unknown violations of the CFL.

18 5. Effective Date: This Consent Order shall not become effective until signed by all
19 parties and delivered by email by the Commissioner’s agent to Integrity First at Anthony Balsamo
20 (AnthonyB@iffghomeloans.com).

21 6. Full and Final Settlement: The parties hereby acknowledge and agree that this
22 Consent Order is intended to constitute a full, final and complete resolution of this matter. The
23 Parties further acknowledge and agree that nothing in this Consent Order shall operate to limit the
24 Commissioner’s ability to assist any other agency (city, state, county or federal) with any
25 prosecution, administrative, civil or criminal, brought by any such agency against Integrity First
26 based upon any of the activities alleged in this matter or otherwise.
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1 7. Independent Legal Advice: Each of the Parties represents, warrants and agrees that it
2 has received or been advised to seek independent legal advice from its attorneys with respect to the
3 advisability of executing this Consent Order.

4 8. No Other Representation: Each of the Parties represents, warrants and agrees that in
5 executing this Consent Order it has relied solely on the statements set forth herein and the advice of
6 its own counsel. Each of the Parties further warrants, represents and agrees that in executing this
7 Consent Order it has placed no reliance on any statement, representation, or promise of any other
8 party, or any other person or entity not expressly set forth herein, or upon any failure of any party or
9 any other person or entity to make any statement, representation, or disclosure of anything
10 whatsoever. The Parties have included this clause: (1) to preclude any claim that any party was in
11 any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of
12 parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

13 9. Modifications and Qualified Integration: No amendment, change or modification of
14 the Consent Order shall be valid or binding to any extent unless it is in writing and signed by all of
15 the parties affected by it.

16 10. Full Integration: This Consent Order is the final written expression and the complete
17 and exclusive statement of all of the agreements, conditions, promises, representations, and
18 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings and discussions between
20 and among the Parties, their respective representatives, and any other person or entity, with respect
21 to the subject matter covered hereby.

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

3 12. Signatures: A fax signature or scanned signature of the Consent Order shall be as
4 effective as an original ink signature.

5 13. Counterparts: This Consent Order may be executed in any number of counterparts by
6 the Parties, and when each party has signed and delivered at least one such counterpart to the other
7 party, each counterpart shall be deemed an original and taken together shall constitute one and the
8 same Consent Order.

9 14. Headings and Governing Law: The headings of paragraphs of this Consent Order are
10 inserted for convenience only and will not be deemed a part hereof or affect the construction or
11 interpretation of the provisions hereof. The Consent Order shall be construed and enforced in
12 accordance with, and governed by, California law.

13 15. Settlement Authority: Each signatory hereto covenants that he/she possesses all
14 necessary capacity and authority to sign and enter into this Consent Order on behalf of the named
15 party.
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17 16. Public Record: Integrity First hereby acknowledges that this Consent Order is and
18 will be a matter of public record.

19 17. Voluntary Agreement: The Parties each represent and acknowledge that it is
20 executing this Consent Order voluntarily and without any duress or undue influence of any kind
21 from any source.

22 Dated: March 7, 2019

JAN LYNN OWEN
Commissioner of Business Oversight

24 By _____
25 Mary Ann Smith.
26 Deputy Commissioner, Enforcement Division

27 Dated: March 7, 2019

28 Anthony Balsamo, on behalf of Integrity First