

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 ADAM J. WRIGHT (State Bar No. 262378)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7523
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11
12 In the Matter of:) CFL LICENSE NOS.: 60DBO-44899, et al.
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
14)
15 Complainant,)
16 v.)
17 ONEMAIN FINANCIAL GROUP, LLC,)
18 Respondent.)
19)
20)
21)

22 This Consent Order is entered into by and between the Commissioner of Business Oversight
23 and OneMain Financial Group, LLC (Consent Order).

24 **I.**

25 **RECITALS**

26 This Consent Order is made with reference to the following facts:

27 A. OneMain Financial Group, LLC (OneMain) is a Delaware limited liability company
28 organized on April 8, 2015, with its principal place of business at 100 International Drive, 16th Floor,

1 Baltimore, Maryland 21202.

2 B. OneMain currently has 117 separate licenses under the California Financing Law¹
3 (Fin. Code, § 22000, et seq.) (CFL), including its main license number 60DBO-44899.

4 C. Stephen L. Day is the President and a Director of OneMain. Stephen L. Day is
5 authorized to enter into this Consent Order on behalf of OneMain.

6 D. The Department of Business Oversight (Department), through the Commissioner of
7 Business Oversight (Commissioner), has jurisdiction over the licensing and regulation of persons and
8 entities engaged in the business of lending and brokering pursuant to the CFL.

9 E. During an examination of OneMain under the CFL commencing on March 21, 2018
10 (Exam), the Commissioner determined the following (Exam Findings):

11 i. From 2015 through 2018, in connection with loans OneMain made under the
12 CFL, OneMain paid compensation to referral partners not licensed under the CFL for soliciting or
13 accepting applications for OneMain loans.

14 ii. OneMain’s referral partners used services including application programming
15 interface (API) enabled “ping trees,” invitation to apply links that pre-populated loan applications
16 with consumers’ details, and API-enabled prequalification (collectively, the Referral Services).

17 F. The Commissioner determined that, based on the Exam Findings, OneMain was in
18 violation of the CFL. (Cal. Code Regs., tit. 10, § 1451, subd. (c).)

19 G. During the Exam, and prior to the Commissioner’s delivery of the Exam Findings to
20 OneMain, OneMain voluntarily ceased paying for Referral Services provided by unlicensed persons
21 and implemented a robust compliance program designed to prevent any such future violations.

22 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
23 contained herein, the Commissioner and OneMain (the Parties) agree as follows:

24 **II.**

25
26 _____
27 ¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing
28 Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this Consent Order, a reference to the
California Financing Law means the California Finance Lenders Law before October 4, 2017 and the California
Financing Law on and after that date. (Fin. Code, § 22000.)

TERMS AND CONDITIONS

1
2 1. Purpose. This Consent Order resolves the Exam Findings in a manner that avoids
3 the expense of a hearing and other possible court proceedings, protects consumers, is in the public
4 interest, and is consistent with the purposes, policies, and provisions of the CFL.

5 2. Desist and Refrain Order. Pursuant to Financial Code section 22712, OneMain is
6 hereby ordered to desist and refrain from paying compensation to an unlicensed person or company
7 for soliciting or accepting applications for loans in violation of Section 1451, subdivision (c), of Title
8 10 of the California Code of Regulations.

9 3. Penalty. OneMain shall pay a penalty of \$150,000.00 to the Commissioner (Penalty).
10 The Penalty is due by the effective date, as defined in Paragraph 21 below (Effective Date), and
11 should be made payable in the form of a cashier’s check or Automated Clearing House deposit to the
12 “Department of Business Oversight” and transmitted to the attention of: Accounting – Enforcement
13 Division, Department of Business of Oversight, 1515 K Street, Suite 200, Sacramento, California
14 95814. Notice of such payment shall be forwarded to Adam Wright, Senior Counsel, Department of
15 Business Oversight, Enforcement Division, 320 West 4th Street, Suite 750, Los Angeles, California
16 90013.

17 4. Waiver of Hearing Rights. OneMain acknowledges the Commissioner is ready,
18 willing, and able to proceed with the filing of an administrative enforcement action on the Exam
19 Findings. OneMain hereby waives the right to any hearings, and to any reconsideration, appeal, or
20 other right to review which may be afforded pursuant to the CFL, the California Administrative
21 Procedure Act, the California Code of Civil Procedure, or any other provision of law. OneMain
22 further expressly waives any requirement for the filing of an Accusation or a Statement of Issues
23 pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, OneMain
24 effectively consents to this Consent Order becoming final.

25 5. Full and Final Settlement. The Parties hereby acknowledge and agree that this
26 Consent Order is intended to constitute a full, final, and complete resolution of the Exam Findings,
27 and that no further proceedings or actions will be brought by the Commissioner in connection with
28 the Exam Findings under the CFL or any other provision of law, excepting therefrom any proceeding

1 to enforce compliance with the terms of this Consent Order.

2 6. Failure to Comply with Consent Order. OneMain agrees that, if it fails to comply
3 with the terms of this Consent Order, the Commissioner may, in addition to all other available
4 remedies it may invoke under the CFL, summarily suspend the CFL licenses of OneMain until
5 OneMain is in compliance. OneMain waives any notice and hearing rights to contest such summary
6 suspension which may be afforded under the CFL, the California Administrative Procedure Act, the
7 California Code of Civil Procedure, or any other provision of law in connection therewith.

8 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
9 revoked, and the Commissioner may pursue any and all remedies available under the law against
10 OneMain, including summarily suspending the CFL licenses of OneMain, if the Commissioner
11 discovers that OneMain knowingly or willfully withheld information used for and relied upon in this
12 Consent Order, including, without limitation, information provided during the Exam.

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

18 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
19 ability to assist any other government agency (city, county, state, or federal) with any administrative,
20 civil or criminal prosecutions brought by that agency against OneMain or any other person based
21 upon any of the activities alleged in this matter or otherwise.

22 10. Headings. The headings to the paragraphs of this Consent Order are for convenience
23 only and will not be deemed a part hereof or affect the construction or interpretation of the provisions
24 hereof.

25 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
26 interest.

27 12. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
28 Consent Order it has relied solely on the statements set forth herein and the advice of its own counsel.

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

8 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
9 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.
10 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
11 provision. No waiver by either party of any breach of, or of compliance with, any condition or
12 provision of this Consent Order by the other party will be considered a waiver of any other condition
13 or provision or of the same condition or provision at another time.

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

20 15. Governing Law. This Consent Order will be governed by and construed in accordance
21 with California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
22 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the
23 maintenance of such action or proceeding in such court.

24 16. Counterparts. This Consent Order may be executed in one or more separate
25 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
26 together constitute a single document.

27 17. Effect Upon Future Proceedings. If OneMain applies for any license, permit or
28 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future

1 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
2 admitted for the purpose of such application or proceeding.

3 18. Voluntary Agreement. OneMain enters into this Consent Order voluntarily and
4 without coercion and acknowledges that no promises, threats or assurances have been made by the
5 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
6 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
7 without any duress or undue influence of any kind from any source.

8 19. Signatures. A fax or electronic mail signature shall be deemed the same as an original
9 signature.

10 20. Public Record. OneMain hereby acknowledges that this Consent Order is and will be
11 a matter of public record.

12 21. Effective Date. This Consent Order shall become final and effective when signed by
13 all parties and sent by the Commissioner’s counsel via e-mail to OneMain’s counsel, Frederick
14 Levin, at flevin@buckleyfirm.com.

15 22. Authority to Sign. Each signatory hereto covenants that he or she possesses all
16 necessary capacity and authority to sign and enter into this Consent Order and undertake the
17 obligations set forth herein.

18 Dated: 12/18/19 MANUEL P. ALVAREZ
19 Commissioner of Business Oversight

20 By _____
21 Mary Ann Smith
22 Deputy Commissioner

23 Dated: 12/16/19 ONEMAIN FINANCIAL GROUP, LLC

24 By _____
25 Stephen L. Day
26 President and Director