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

To: Commercial Business Credit Union

**CEASE AND DESIST ORDER
(For violations of Financial Code section 14150)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. Commercial Business Credit Union (CBCU) is a business form unknown. CBCU maintains a fax number at (623) 432-5927.
2. At all relevant times herein, CBCU solicited loans from California residents.
3. On October 21, 2019, CBCU faxed an advertisement containing a questionnaire form to at least one California resident.
4. The October 21, 2019 facsimile stated the following:
 - Commercial Business Credit Union supports your business growth through line of credit options, equipment financing, long term loans, SBA loans, and refinance solutions.
 - Our account managers take the time to understand your business, and work with you to take advantage of our full range of financial products and services that can help you streamline your financial operations, manage daily business needs, and pursue the long-term plan you have for your company.
 - We will show you solutions to todays needs as well as set you up with options for financing in the future.
5. Further, the October 21, 2019 facsimile advertises the following:
 - i. Lines of credit and Loans from \$25k-\$500k
 - ii. Current available rates as low as <5.99% fixed
 - iii. No annual fees, long term payback, and funding within 48 hours
 - iv. Respond within the next < 5 days > to activate this offer

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6. Finally, the October 21, 2019 facsimile ask for information such as:

- Name of company
- Contact name
- Contact information including phone number and email address
- Requested loan amount
- Annual gross sales

7. CBCU holds itself out as a credit union operating in the State of California.

8. Pursuant to Financial Code section 14150, “No membership, shares, certificates for funds or other securities shall be issued by any credit union until it has applied for and obtained from the commissioner a certificate authorizing it to act as a credit union.”

9. CBCU holds no certificate, nor has it applied for any certificate to operate as a credit union in this State.

The Department of Business Oversight (Department) is responsible for enforcing provisions of the California Credit Union Law found in the California Financial Code commencing at section 14000. The Commissioner is authorized to pursue administrative actions and remedies against persons who engage in violations of the California Credit Union Law.

California Financial Code section 14303 provides:

(a) The commissioner may, without any prior notice or hearing, order a person to cease and desist from violating Section 14150 if either of the following criteria are met:

(1) The commissioner finds that the person has violated Section 14150.

(2) The commissioner finds that there is reasonable cause to believe that the person will imminently violate Section 14150.

(b)(1)(A) Within 30 days after an order is issued pursuant to subdivision (a), the person to whom the order is issued may file with the commissioner an application for hearing on the order.

The foregoing facts establish CBCU’s violations of Financial Code section 14150 including:

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a. On October 21, 2019, CBCU faxed an advertisement regarding obtaining loans which also contained a questionnaire form for applying for a loan to at least one California resident.

b. CBCU advertises services typically provided by credit unions including but not limited to loans, lines of credit and financing.

c. CBCU does not possess a certificate to operate as a credit union in this State.

Based on the foregoing findings, the Commissioner finds that Commercial Business Credit Union is operating in this State without first obtaining a certificate from the commissioner which allows it to operate as a credit union.

Pursuant to Finance Code section 14303, Commercial Business Credit Union is hereby ordered to cease and desist from operating or advertising as a credit union until it has obtained a certificate from the commissioner.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies and provisions of the California Credit Union Law.

Dated: January 9, 2020
San Francisco, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division