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8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:)	CFL License No.: 603K056
13 THE COMMISSIONER OF BUSINESS)	
14 OVERSIGHT,)	CONSENT ORDER
15 Complainant,)	
16 v.)	
17 AMAZON CAPITAL SERVICES, INC.,)	
18 Respondent.)	
19 _____)	

21 The Commissioner of Business Oversight (Commissioner) and Amazon Capital Services,
22 Inc. (Amazon), (collectively, Parties), enter into this Consent Order with respect to the following
23 facts:

24 RECITALS

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities
26 engaged in the business of making consumer and commercial loans pursuant to the California
27 Financing Law (CFL) (Fin. Code, § 22000 et seq.).

28 B. Amazon is a finance lender that was licensed by the Commissioner from January 23, 2014 to

1 December 29, 2019 (CFL License No. 603K056). Amazon has its principal office located at 410
2 Terry Avenue North, Seattle, Washington 98109.

3 C. Amazon has no branch locations in California.

4 D. Ragui Selwanes is the vice president and secretary and a control person of Amazon and, as
5 such, is authorized to enter into this Consent Order on Amazon's behalf.

6 E. In accordance with Financial Code section 22107, each finance lender, broker, or program
7 administrator licensee shall pay to the Commissioner its pro rata share of all costs and expenses,
8 including the costs and expenses associated with the licensing of mortgage loan originators it
9 employs, reasonably incurred in the administration of this division, as estimated by the
10 Commissioner, for the ensuing year and any deficit actually incurred or anticipated in the
11 administration of the program in the year in which the assessment is made. CFL licensees must pay
12 the annual assessment on or before the 31st day of October each year.

13 F. On September 30, 2019, the Commissioner sent Amazon the Assessment Notice per invoice
14 number CF0217. The notice was mailed to the address Amazon registered with the Department of
15 Business Oversight (Registered Address): 410 Terry Avenue North, Seattle, Washington 98109. The
16 notice stated that the annual assessment would become delinquent if not paid by October 31, 2019.

17 G. As of October 31, 2019, Amazon had not paid its annual assessment. The failure to pay the
18 annual assessment on or before October 31, 2019 represents a violation of Financial Code section 22107.

19 H. As of November 6, 2019, Amazon had not paid its annual assessment. As a result, the
20 Commissioner sent to Amazon's Registered Address a Notice of Unpaid Assessment on November 6,
21 2019. The notice warned that failure to pay the assessment would result in summary revocation of
22 Amazon's license. Amazon did not respond to the Commissioner's notice.

23 I. As of December 6, 2019, Amazon had not paid its annual assessment. As a result, on
24 December 6, 2019, the Commissioner issued an Order Summarily Revoking California Financing
25 Law License Pursuant to Financial Code Section 22107 for CFL License Number 603K056
26 (Revocation Order). The Commissioner mailed the Revocation Order to Amazon's Registered
27 Address along with notice that it would become effective December 30, 2019 unless payment of the
28 annual assessment was received by close of business on December 27, 2019.

1 J. As of December 27, 2019, the assessment remained unpaid. As such, the Revocation Order
2 became effective December 30, 2019.

3 K. Upon receiving the Revocation Order, Amazon timely notified the Commissioner that
4 Amazon was requesting a hearing on the Revocation Order.

5 L. In connection with these proceedings, Amazon represented to the Commissioner that it had made
6 loans in California after its license had been revoked. As such, the Commissioner finds that Amazon
7 engaged in the business of a finance lender in violation of Financial Code section 22100.

8 M. Amazon admits to the jurisdiction of the Commissioner and it is the intention of the parties to
9 resolve this matter without the necessity of a hearing and/or other litigation.

10 N. The Commissioner finds that entering into this Consent Order is in the public interest and
11 consistent with the purposes fairly intended by the CFL.

12 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
13 forth herein, the Parties agree as follows:

14 TERMS

15 1. Purpose. This Consent Order resolves the issues before the Commissioner described
16 above in a manner that avoids the expense of a hearing and other possible court proceedings,
17 protects consumers, is in the public interest, and is consistent with the purposes, policies, and
18 provisions of the CFL.

19 2. Desist and Refrain Order. Pursuant to Financial Code section 22712, Amazon is hereby
20 ordered to desist and refrain from violating Financial Code section 22107.

21 3. Order Rescinding Revocation Order(s). The Commissioner hereby rescinds the
22 Revocation Order, which was issued on December 6, 2019, and became effective on December 30,
23 2019, as of the effective date of revocation.

24 4. Order to Pay Annual Assessment. Pursuant to Financial Code section 22107, the
25 Commissioner hereby orders Amazon to pay \$422.36 to the Department of Business Oversight for
26 the 2019 – 2020 annual assessment. The annual assessment shall be paid to the Commissioner within
27 30 days of the Effective Date of this Consent Order as defined in paragraph 23. The annual
28 assessment shall be labeled “2019 – 2020 annual assessment” and made payable in the form of a

1 cashier’s check or Automated Clearing House deposit to the “Department of Business Oversight,”
2 and transmitted to the attention of:

3 ATTN: Accounting
4 Department of Business Oversight
5 1515 K Street, Suite 200
6 Sacramento, California 95814

7 Notice of payment shall be made via email to Trevor Carroll, Counsel at Department of
8 Business Oversight, at trevor.carroll@dbo.ca.gov.

9 5. Administrative Penalties and Fines. Amazon shall pay \$60,000.00 for the violation of the
10 CFL enumerated herein, which may be used for any purpose, including as fines or penalties. The
11 check shall be made payable in the form of a cashier’s check or Automated Clearing House deposit
12 to the “Department of Business Oversight,” and transmitted to the attention of:

13 ATTN: Accounting – Litigation
14 Department of Business Oversight
15 1515 K Street, Suite 200
16 Sacramento, California 95814

17 Notice of payment shall be made via email to Trevor Carroll, Counsel at Department of
18 Business Oversight, at trevor.carroll@dbo.ca.gov.

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

27 7. Failure to Comply with Consent Order. Amazon agrees that if it fails to comply with the
28 terms of this Consent Order, the Commissioner may, in addition to all other available remedies it
29 may invoke under the CFL, summarily suspend or revoke the CFL license of Amazon until Amazon
30 is in compliance. Amazon waives any notice and hearing rights to contest such summary suspension

1 which may be afforded under the CFL, the California Administrative Procedure Act, the California
2 Code of Civil Procedure, or any other provision of law in connection therewith.

3 8. Information Willfully Withheld or Misrepresented. This Consent Order may be revoked
4 and the Commissioner may pursue any and all remedies available under law against Amazon if the
5 Commissioner discovers that Amazon knowingly or willfully withheld or misrepresented
6 information used for and relied upon in this Consent Order.

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

12 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
13 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
14 administrative, civil or criminal brought by that agency against Amazon or any other person based
15 upon any of the activities alleged in this matter or otherwise.

16 11. Headings. The headings to the paragraphs of this Consent Order are inserted for
17 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
18 the provisions hereof.

19 12. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
20 interest.

21 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
22 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel.
23 Each of the parties further represents, warrants, and agrees that in executing this Agreement it has
24 placed no reliance on any statement, representation, or promise of any other party, or any other
25 person or entity not expressly set forth herein, or upon the failure of any party or any other person or
26 entity to make any statement, representation or disclosure of anything whatsoever. The parties have
27 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to
28 execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret,

1 supplement, or contradict the terms of this Agreement.

2 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
3 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
4 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
5 provision. No waiver by either party of any breach of, or of compliance with, any condition or
6 provision of this Consent Order by the other party will be considered a waiver of any other condition
7 or provision or of the same condition or provision at another time.

8 15. Full Integration. This Consent Order is the final written expression and the complete and
9 exclusive statement of all the agreements, conditions, promises, representations, and covenant
10 between the parties with respect to the subject matter hereof, and supersedes all prior or
11 contemporaneous agreements, negotiations, representations, understandings, and discussions
12 between and among the parties, their respective representatives, and any other person or entity, with
13 respect to the subject matter covered hereby.

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

18 17. Counterparts. This Consent Order may be executed in one or more separate counterparts,
19 each of which when so executed, shall be deemed an original. Such counterparts shall together
20 constitute a single document.

21 18. Effect Upon Future Proceedings. If Amazon applies for any license, permit, or
22 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
23 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
24 admitted for the purpose of such application(s) or enforcement proceedings(s).

25 19. Voluntary Agreement. Amazon enters this Consent Order voluntarily and without
26 coercion and acknowledges that no promises, threats or assurances have been made by the
27 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
28 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and

1 without any duress or undue influence of any kind from any source.

2 20. Notice. Any notice required under this Consent Order be provided to each party at the
3 following addresses:

4 To Amazon:

5 James Howard
6 Davis Wright Tremaine LLP
7 920 Fifth Avenue
8 Seattle, Washington 98104
9 jimhoward@dwt.com

With additional copy to:
Amazon Capital Services,
Inc.
Attn: Director,
Seller Lending
410 Terry Ave. N
Seattle, WA 98109

With additional copy to:
Amazon.com, Inc.
Attn: General Counsel
P.O. Box 81226
Seattle, WA 98108-1226
Fax: (206) 266-7010
E-mail: contracts-legal
@amazon.com

10
11
12 To the Commissioner:

13 Trevor J. Carroll, Counsel
14 Department of Business Oversight
15 Enforcement Division
16 1515 K Street, Suite 200
17 Sacramento, California 95814
18 trevor.carroll@dbo.ca.gov

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

21 22. Public Record. Amazon hereby acknowledges that this Consent Order is and will be a
22 matter of public record.

23 23. Effective Date. This Consent Order shall become final and effective when signed by all
24 parties and delivered by the Commissioner’s agent via email to Amazon’s representative, at
25 jimhoward@dwt.com.

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1 24. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary
2 capacity and authority to sign and enter into this Consent Order and undertake the obligations set
3 forth herein.

4
5 Dated: February 13, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

6
7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division

11
12 Dated: February 13, 2020

By _____
AMAZON CAPITAL SERVICES, INC.

13
14 _____

15 APPROVED AS TO FORM AND CONTENT

16 Dated: February 13, 2020

By _____

17
18 Counsel for AMAZON CAPITAL SERVICES,
19 INC.