

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN ROONEY  
Assistant Chief Counsel  
3 TAYLOR STEINBACHER (State Bar No. 285335)  
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 In the Matter of: ) CFL LICENSE NO.: 60DBO-67639  
12 )  
13 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, )  
14 ) CONSENT ORDER  
Complainant, )  
15 v. )  
16 M&J LOANS, L.L.C., )  
17 )  
Respondent. )  
18 )  
19 )

20 This Consent Order is entered into between the Commissioner of Business Oversight  
21 (Complainant or Commissioner) and Respondent M&J Loans, L.L.C. (Respondent) and is made with  
22 respect to the following facts:

23  
24 **I.**

25 **RECITALS**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
27 entities engaged in the business of finance lending or brokering under the California Financing Law  
28 (CFL) (Fin. Code, § 22000 et seq.).

1           B.       Respondent is a limited liability company with a principal place of business at  
2 1135 Heatherstone Drive, Suite 102, Fredericksburg, Virginia 22407.

3           C.       Respondent is licensed as a finance lender and broker under the CFL with main  
4 license number 60DBO-67639.

5           D.       Respondent operates no branch offices in California.

6           E.       In accordance with Financial Code section 22159, CFL licensees must file an annual  
7 report with the Commissioner by March 15 of each year (Annual Report).

8           F.       On December 16, 2019, the Commissioner notified CFL licensees of the March 15,  
9 2020 deadline to file their annual reports by sending notice to the email address of each CFL  
10 licensee established pursuant to the Commissioner’s Order on Electronic Communications, dated  
11 November 22, 2013. The notification admonished licensees that the Commissioner could assess  
12 penalties for untimely filing or failing to file pursuant to Financial Code section 22715(b).

13           G.       On January 29, 2020, the Commissioner again notified CFL licensees of the  
14 March 15, 2020 deadline to file their annual reports by sending notice to the email address each CFL  
15 licensee established pursuant to the Commissioner’s Order on Electronic Communications, dated  
16 November 22, 2013. The notification again warned that the Commissioner could assess monetary  
17 penalties for untimely filing or failing to file pursuant to Financial Code section 22715(b).

18           H.       On March 2, 2020, the Commissioner again notified CFL licensees of the March 15,  
19 2020 deadline to file their annual reports by sending notice to the email address each CFL licensee  
20 established pursuant to the Commissioner’s Order on Electronic Communications, dated  
21 November 22, 2013. The notification warned that the Commissioner could assess penalties and  
22 summarily revoke licenses for untimely filing or failing to file pursuant to Financial Code section  
23 22715.

24           I.       As of March 15, 2020, Respondent had not filed its Annual Report with the  
25 Commissioner. As a result, the Commissioner issued a notice on March 18, 2020 to Respondent to  
26 Respondent’s email address established pursuant to the Commissioner’s Order on Electronic  
27 Communications, dated November 22, 2013, advising Respondent that it should file its annual report  
28

1 by or before March 30, 2020 or else its license would be summarily revoked pursuant to Financial  
2 Code section 22715 (Notice Email).

3 J. As of March 30, 2020, Respondent had not filed its Annual Report with the  
4 Commissioner as directed in the Notice Email. As a result, on April 3, 2020, the Commissioner  
5 issued an Order Summarily Revoking Finance Lender and/or Broker License(s) Pursuant to  
6 Financial Code Section 22715 for CFL License Number 60DBO-67639 (Summary Revocation  
7 Order).

8 K. Upon receiving the Summary Revocation Order(s), Respondent timely notified the  
9 Commissioner that Respondent was requesting a hearing on the Summary Revocation Order(s).

10 L. On April 20, 2020, Respondent submitted its Annual Report, which was due on  
11 March 15, 2020, 25 business days late. Pursuant to Financial Code section 22715, the maximum  
12 penalty that may be imposed for filing 25 business days late is \$10,500.00 (\$100 per business day  
13 for the first five business days and \$500 per business day thereafter up to a maximum of \$25,000).

14 M. In connection with these proceedings, Respondent represented to the Commissioner  
15 that it had taken no new applications under its license.

16 N. The Commissioner finds that entering into this Consent Order is in the public interest  
17 and consistent with the purposes fairly intended by the policies and provisions of the CFL.

18 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
19 forth herein, the parties agree as follows:

20 **II.**

21 **TERMS AND CONDITIONS**

22 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy  
23 and expediency and without the uncertainty and expense of a hearing or other litigation.

24 2. Order Rescinding Penalty Order. The Commissioner hereby rescinds the Summary  
25 Revocation Order which had been issued on April 3, 2020.

26 3. Administrative Penalty. Respondent shall pay an administrative penalty of \$3,500.00  
27 no later than 30 days after the effective date of this Consent Order as defined in paragraph 25. The  
28 penalty must be made payable in the form of a cashier's check or Automated Clearing House deposit

1 to the Department of Business Oversight and transmitted to the attention of Accounting – Litigation,  
2 at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814.  
3 Notice of the payment must be concurrently sent to Taylor Steinbacher, Counsel, Department of  
4 Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344.

5       **4.       Failure to Pay Administrative Penalty.** If Respondent fails to comply with  
6 paragraph 3, the Commissioner may summarily suspend Respondent from engaging in business  
7 under its license until it provides evidence of compliance to the Commissioner’s satisfaction.  
8 Respondent hereby waives any notice or hearing rights afforded under the Administrative Procedure  
9 Act, including Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any  
10 other provision of law to contest the summary suspension contemplated by this paragraph.

11       **5.       Waiver of Hearing Rights.** Respondent acknowledges the Commissioner is ready,  
12 willing, and able to proceed with the filing of an administrative enforcement action on the charges  
13 contained in this Consent Order. Respondent hereby waives the right to any hearings, and to any  
14 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the  
15 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
16 provision of law. Respondent further expressly waives any requirement for the filing of an  
17 Accusation pursuant to Government section 11415.60, subdivision (b). By waiving such rights,  
18 Respondent effectively consents to this Consent Order and Order rescinding Penalty Order becoming  
19 final.

20       **6.       Full and Final Resolution.** The parties hereby acknowledge and agree that this  
21 Consent Order is intended to constitute a full and final resolution of the violations described herein,  
22 and that no further proceedings or actions will be brought by the Commissioner in connection with  
23 these matters except under the CFL or any other provision of law, excepting therefrom any  
24 proceeding to enforce compliance with the terms of this Consent Order.

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

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

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

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

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

17 **11. No Presumption Against Drafter.** Each party acknowledges that it has had the  
18 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties  
19 intend no presumption for or against the drafting party will apply in construing any part of this  
20 Consent Order. The parties waive the benefit of Civil Code section 1654 as amended or  
21 corresponding provisions of any successor statute, which provide that in cases of uncertainty,  
22 language of a contract should be interpreted most strongly against the party who caused the  
23 uncertainty to exist.

24 **12. Independent Legal Advice.** Each of the parties represents, warrants, and agrees that it  
25 has received independent advice from its attorney(s) and/or representatives with respect to the  
26 advisability of executing this Consent Order.

27 ///

28 ///

1           **13.    Headings.** The headings to the paragraphs of this Consent Order are inserted for  
2 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
3 the provisions hereof.

4           **14.    Binding.** This Consent Order is binding on all heirs, assigns, and/or successors in  
5 interest.

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

15           **16.    Waiver, Amendments, and Modifications.** No waiver, amendment, or modification of  
16 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.  
17 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
18 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
19 provision of this Consent Order by the other party will be considered a waiver of any other condition  
20 or provision or of the same condition or provision at another time.

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

27           **18.    Governing Law.** This Consent Order will be governed by and construed in  
28 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court

1 and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
2 forum to the maintenance of such action or proceeding in such court.

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

6 **20. Effect Upon Future Proceedings.** If Respondent applies for any license, permit or  
7 qualification under the Commissioner's current jurisdiction, or are the subject of any future action by  
8 the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for  
9 the purpose of such application(s) or enforcement proceeding(s).

10 **21. Voluntary Agreement.** Respondent hereby enters in this Consent Order voluntarily  
11 and without coercion and acknowledges that no promises, threats, or assurances have been made by  
12 the Commissioner or any officer, or agent thereof, about this Consent Order. The parties each  
13 represent and acknowledge that he, she or it is executing this Consent Order completely voluntarily  
14 and without any duress or undue influence of any kind from any source.

15 **22. Notice.** Any notice required under this Consent Order be provided to each party at  
16 the following addresses:

17 To Respondent M&J Loans, L.L.C.: M&J Loans, L.L.C.  
18 c/o Liz Kujawa, Member  
19 1135 Heatherstone Drive, Suite 102  
20 Fredericksburg, Virginia 22407  
lkujawa@gcfunding.com

21 To the Commissioner: Taylor Steinbacher, Counsel  
22 Department of Business Oversight  
23 320 West 4th Street, Suite 750  
24 Los Angeles, California 90013-2344  
Taylor.Steinbacher@dbo.ca.gov

25 **23. Signatures.** A fax or electronic mail signature shall be deemed the same as an  
26 original signature.

27 **24. Public Record.** Respondent hereby acknowledges that the Consent Order is and will  
28 be a matter of public record.

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

**25.** Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner’s agent via e-mail to lkujawa@gcfunding.com.

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

Dated: May 5, 2020

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: May 4, 2020

M&J LOANS, L.L.C.

By \_\_\_\_\_  
LIZ KUJAWA  
Member