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

11	In the Matter of:	)	CFL FILE NO.: 60DBO-103136
12	THE COMMISSIONER OF BUSINESS	)	
13	OVERSIGHT,	)	ORDER DENYING APPLICATION FOR
14	Complainant,	)	FINANCE LENDER AND BROKER LICENSE
15	v.	)	
16	INNOVATIVE FUNDING SOLUTIONS,	)	
17	INC.,	)	
	Respondent.	)	

18  
19 The Commissioner of Business Oversight (Commissioner) finds:

20 1. On September 3, 2019, Respondent Innovative Funding Solutions, Inc. (Innovative  
21 Funding), applied to the Commissioner for a finance lender and broker license under the California  
22 Financing Law (CFL) (Fin. Code, § 22000 et seq.).

23 2. As described in more detail below, the Commissioner denies the issuance of a  
24 finance lender and broker license to Innovative Funding under Financial Code section 22109  
25 because: (1) a false statement of material fact was made in its application and (2) an owner and  
26 officer of Innovative Funding previously violated a provision of the CFL.

27 3. Innovative Funding Solutions, Inc., is a Florida corporation with its principal place  
28 of business at 1999 Broadway, Suite 1525, Denver, Colorado 80202.

1           4.       On September 3, 2019, Innovative Funding filed an application for a finance lender  
2 and broker license under the CFL.

3           5.       In item 6 of the application, Innovative Funding indicated that James Albert Peragine  
4 was its sole owner and officer.

5           6.       In his Statement of Identity and Questionnaire (SIQ), Peragine disclosed that before  
6 becoming sole owner and officer of Innovative Funding in May 2019, he was sole owner and  
7 officer of Executive Cash & Capital, LLC (Executive Cash), from February 2014 to May 2019.

8           7.       Executive Cash is a Florida limited liability company with its principal place of  
9 business at 133 Via Palacio, Palm Beach Gardens, Florida 33418. Executive Cash’s business  
10 registration with the California Secretary of State is currently forfeited.

11          8.       Item 4(b) of the SIQ asked: “Have you ever been refused a license to engage in any  
12 business in this state or any other state, or has any such license ever been suspended, revoked, or  
13 surrendered subject to a settlement, or any other similar action?” Peragine answered “No.”

14          9.       In fact, Executive Cash was previously licensed under the CFL as a finance lender  
15 and broker under license number 60DBO-85445, and on December 27, 2018, its license was  
16 revoked because it failed to pay the annual assessment by October 31, 2018, in violation of  
17 Financial Code section 22107, subdivision (b).

18          10.      Innovative Funding was incorporated in Florida several months after Executive  
19 Cash’s license revocation, on May 5, 2019, and registered in California shortly after filing its CFL  
20 application, on September 27, 2019.

21          11.      In a letter dated October 11, 2019, the Commissioner notified Innovative Funding of  
22 deficiencies in its application. In particular, the Commissioner noted Peragine’s position as sole  
23 owner and officer of Executive Cash and that Executive Cash’s CFL license had been revoked in  
24 2018 because it failed to pay the annual assessment. The Commissioner asked Peragine to explain  
25 in detail why the annual assessment was not paid and why Executive Cash did not seek  
26 reinstatement of its CFL license.

27          12.      On October 21, 2019, Innovative Funding filed an amended application, including an  
28 amended SIQ for Peragine.

1           13.     In his amended SIQ, Peragine changed his answer to item 4(b) concerning regulatory  
2 actions from “No” to “Yes.” He stated that his “old CFL license was revoked for failure to pay the  
3 annual assessment fee.” Peragine stated that Executive Cash’s mailing address was his father’s  
4 address, that his father was the “primary person responsible” for the mail delivered to that address,  
5 and that because his father had health problems in late 2018, they “allowed this notice to fall  
6 through the cracks.” Peragine did not explain why Executive Cash did not seek reinstatement of its  
7 license, as the Commissioner requested.

8           **False Statement of Material Fact**

9           14.     The Commissioner may deny an application for a CFL license if a false statement of  
10 a material fact has been made in the application. (Fin. Code, § 22109, subd. (a)(1).)

11           15.     As described in paragraphs 5 to 13, Peragine answered “No” to item 4(b) of his  
12 initial SIQ, which asked whether he had ever had a license revoked. But Peragine was sole owner  
13 and officer of another business entity, Executive Cash, whose CFL license was revoked in 2018.  
14 Indeed, in his amended SIQ, Peragine revised his response to item 4(b), changing his answer to  
15 “Yes” and describing the circumstances of the events resulting in the license revocation.

16           16.     Thus, a false statement of material fact was made in Innovative Funding’s  
17 application within the meaning of Financial Code section 22109, subdivision (a)(1). Accordingly,  
18 Innovative Funding’s application should be denied.

19           **Previous Violation of CFL**

20           17.     The Commissioner may deny an application for a CFL license if the applicant or an  
21 officer, director, general partner, person responsible for the applicant’s lending activities in  
22 California, or person owning or controlling, directly or indirectly, 10 percent or more of the  
23 outstanding interests or equity securities of the applicant has violated any provision of the CFL or  
24 any similar regulatory scheme of California or a foreign jurisdiction. (Fin. Code, § 22109, subd.  
25 (a)(3).)

26           18.     As described in paragraphs 5 to 13, Peragine is the sole owner and officer of  
27 Innovative Funding. Peragine previously violated the CFL by failing to pay the annual assessment

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1 in his capacity as sole owner and officer of Executive Cash, which resulted in the revocation of  
2 Executive Cash’s CFL license.

3 19. Thus, an owner and officer of Innovative Funding previously violated a provision of  
4 the CFL within the meaning of Financial Code section 22109, subdivision (a)(3). Accordingly,  
5 Innovative Funding’s application should be denied.

6 20. For the foregoing reasons, the Commissioner finds that (1) a false statement of  
7 material fact was made in the application of Innovative Funding within the meaning of Financial  
8 Code section 22109, subdivision (a)(1), and (2) an owner and officer of Innovative Funding  
9 previously violated a provision of the CFL within the meaning of Financial Code section 22109,  
10 subdivision (a)(3).

11 21. Accordingly, the Commissioner has grounds to deny the application of Innovative  
12 Funding Solutions, Inc., for a finance lender and broker license.

13 22. On July 24, 2020, the Commissioner issued a Notice of Intention to Issue Order  
14 Denying Application for Finance Lender and Broker License, Statement of Issues, and  
15 accompanying documents. The documents were served by certified mail and email at Innovative  
16 Funding’s latest addresses on file.

17 23. Innovative Funding has not requested a hearing, and the time for doing so has  
18 expired.

19 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application  
20 of Innovative Funding Solutions, Inc., for a finance lender and broker license is denied. This Order  
21 is effective immediately.

22 Dated: August 19, 2020  
23 Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

24  
25 By: \_\_\_\_\_  
26 MARY ANN SMITH  
27 Deputy Commissioner  
28 Enforcement Division