

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 To: First National Merchant a.k.a. FNM Bank
5 104 Pleasant Street
6 Los Angeles, California
7 <https://fnmunc.com>
8 <https://1stnmb-online.com>

9 **CEASE AND DESIST ORDER**
10 **(For violations of Financial Code sections 560, 561, and 562)**

11 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

12 1. At all relevant times, First National Merchant a.k.a. FNM Bank is a business (form
13 unknown) with a purported address of 104 Pleasant Street, FNM, Los Angeles, California.

14 2. At all relevant times, First National Merchant maintains websites at
15 <https://fnmunc.com> and 1stnmb-online.com (the FNM Websites), which are substantially identical.

16 The FNM Websites contain numerous references to operations as a bank and providing banking
17 services.

18 3. The FNM Websites contain statements including:

19 a. “It’s a more rewarding way to bank.”

20 b. “We offer a wide choice of savings accounts and banking services to suit your
21 lifestyle”

22 c. “We have world-class banking products and services to support you at every stage.”

23 d. “The FNM Bank Internet Banking launches you into a world without limits.”

24 e. “With strong roots anchored in America economic history, FNM Bank supports its
25 customers and employees in today’s changing world and has positioned itself as a
26 leading bank in the eurozone and a prominent international banking institution.”

27 4. First National Merchant advertises itself as a bank listing a spurious address in Los
28 Angeles, California. It has engaged consumers by requesting payment of access fees to provide
banking services but has not provided service following payment. Consequently, First National
Merchant’s actions have resulted in transactions that caused consumer losses and harm.

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5. Financial Code section 560 provides:

No person who has not received a certificate from the commissioner authorizing it to engage in the banking business shall solicit or receive deposits, issue certificate of deposits with or without provision for interest, make payments on checks, or transact business in the way or manner of a bank or trust company.

6. Financial Code section 561 provides:

No person who has not received a certificate from the commissioner authorizing it to engage in the banking business shall . . . make use of or circulate any letterheads, billheads, blank notes, blank receipts, certificates, or circulars, or any written or printed paper, whatever, having thereon any artificial or corporate name or other words indicating that the business is the business of a bank or trust company, or transact business in a way or manner as to lead the public to believe that its business is that of a bank or trust company, except to the extent expressly authorized by this division.

7. Financial Code section 562 provides:

No person who has not received a certificate from the commissioner authorizing it to engage in the banking business shall transact business under any name or title that contains the word “bank” or “banker” or “banking” . . . or act or advertise in any manner that indicates that the business is the business of a bank.

8. The Commissioner has not issued First National Merchant a certificate authorizing it to engage in the banking business in this State or to transact business under any name or title that contains the word “bank.”

9. Pursuant to Financial Code section 567, “[i]f the commissioner finds that a person has conducted, or that there is reasonable cause to believe that a person is about to conduct, business that requires a license issued by the commissioner and that person has not been issued the required license, the commissioner may, without any prior notice or hearing, order the person to cease and desist from conducting any unauthorized business unless and until the person is issued a license to engage in appropriate license business.”

Based on the foregoing findings, the Commissioner is of the opinion that First National Merchant is engaged in the business of soliciting or receiving deposits, or transacted business in the

1 way or manner of a bank, without first obtaining a certificate from the Commissioner authorizing it
2 to engage in the banking business in this state, in violation of Financial Code section 560.

3 The Commissioner is of the further opinion that First National Merchant has made use of or
4 circulated written words indicating that its business is the business of a bank, or transacted business
5 in a way or manner as to lead the public to believe that its business is that of a bank, without first
6 obtaining a certificate from the Commissioner authorizing it to engage in the banking business in
7 this state, in violation of Financial Code section 561.

8 The Commissioner is of the further opinion that First National Merchant a.k.a. FNM Bank
9 transacted business under a name that contains the word “bank” or acted or advertised in a manner
10 that indicates that their business is the business of a bank, without first obtaining a certificate from
11 the Commissioner authorizing it to engage in the banking business in this state, in violation of
12 Financial Code section 562.

13 Pursuant to Finance Code section 567, First National Merchant is hereby ordered to cease
14 and desist from engaging in the business of soliciting or receiving deposits or transact business in the
15 way or manner of a bank and/or making use of or circulating written words indicating that their
16 business is the business of a bank, or transacting business in a way or manner as to lead the public to
17 believe that its business is that of a bank, and/or transacting business under a name that contains the
18 word “bank” or acting or advertising in a manner that indicates that their business is the business of a
19 bank, without first obtaining a certificate from the Commissioner authorizing it to engage in the
20 banking business in this state, or otherwise being exempt.

21 This Order is necessary, in the public interest, for the protection of consumers and consistent
22 with the purposes, policies and provision of the California Financial Institutions Law.

23 Dated: July 13, 2021

24 CHRISTOPHER S. SHULTZ
25 Acting Commissioner of Financial Protection and Innovation



26 By _____
27 Mary Ann Smith
28 Deputy Commissioner
Enforcement Division