

1 The Complainant is informed and believes, and based upon such information and belief,
2 alleges and charges as follows:

3 **I.**

4 **Regulatory Examination of Moo Loans and Christianos’s Failure to Respond**

5 1. Respondent Moo Loans LLC (Moo Loans) was a California limited liability company
6 with its principal place of business at 6631 Lankershim Boulevard, North Hollywood, California
7 91606.¹ Moo Loans is licensed by the Commissioner of Financial Protection and Innovation
8 (Commissioner) pursuant to the California Financing Law (CFL)² with the license number 603-I408.
9 Moo Loans’s primary business was making auto title loans.

10 2. Respondent Michael Christianos (Christianos) was the owner and managing member
11 of Moo Loans. Christianos has represented to the Commissioner that he had all duties of
12 responsibility for Moo Loans as the company’s owner and managing member.

13 3. On July 12, 2021, the Commissioner sent an examination entrance letter to Moo
14 Loans, notifying it of a scheduled examination and requesting documents for pre-examination review.
15 On November 2, 2021, the Commissioner commenced this regulatory examination.

16 4. On November 23, 2021, Moo Loans provided documents to the Commissioner that
17 were requested as part of that examination. On January 3, 2022, the Commissioner requested from
18 Christianos additional documents and information about Moo Loans to be provided by no later than
19 January 17, 2022. Among the documents and information requested were loan applications, loan
20 agreements, payment transaction histories, and underwriting support for specific loans identified by
21 the Commissioner, and requests about various business practices and procedures of Moo Loans.

22 5. On January 9, 2022, Christianos responded by requesting an extension to respond for a
23 “month and a half” and claimed the Department’s demand for the requested information was
24 “unreasonable.” On January 20, 2022, the Commissioner denied Christianos’s request for a one-and-

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26 ¹ On January 26, 2022, Moo Loans filed a statement of dissolution with the California Secretary of
27 State.

28 ² Cal. Fin. Code § 22000, *et seq.* All subsequent statutory references are to the California Financial
Code unless otherwise specified.

1 a-half-month extension, but further extended the response deadline from January 17, 2022, to
2 January 31, 2022. The Commissioner also offered Christianos an accommodation, stating that he
3 could respond to “as much of the request as possible by the deadline and any outstanding items would
4 be handled separately.”

5 6. On January 21, 2022, Christianos responded by stating that he intended to surrender
6 Moo Loan’s license. On January 25, 2022, the Commissioner responded to Christianos’s e-mail
7 providing instructions for how to request a license surrender from the Department, but noted that the
8 examination was still ongoing and that he and Moo Loans were still obligated to provide documents
9 and information the Commissioner upon request.

10 7. On January 26, 2022, Christianos responded by requesting a paper form to surrender
11 Moo Loan’s license and claiming, without authority, that his e-mail requesting to surrender the
12 license shall “serve as full and final notice of license surrender.”

13 8. On January 28, 2022, the Commissioner responded, noting that Christianos’s e-mail
14 could not serve as notice of surrender and that he would need to follow the Department’s established
15 processes to surrender Moo Loan’s license.

16 9. Later on January 28, 2022, the Commissioner received a request from Moo Loans to
17 surrender its license. Pursuant to subsection (c) of Section 22770, an application to surrender a CFL
18 license become effective 30 days after receipt by the Commissioner unless “a proceeding to revoke or
19 suspend or to impose conditions upon the surrender is instituted within 30 days after the application
20 is filed.” As the instant Accusation to revoke Moo Loan’s license was initiated within 30 days of
21 receipt of its application to surrender, the Commissioner retains the ability to revoke Moo Loan’s
22 license and its application for surrender is not self-executing.

23 10. To date, neither Christianos nor Moo Loans have provided the additional documents
24 and information that the Commissioner requested on January 3, 2022 and to which the Commissioner
25 extended the deadline to produce to January 31, 2022. Christianos’s and Moo Loan’s failure to
26 provide this information to the Commissioner has prevented her from completing her examination
27 and from determining the full extent of their failure to comply with the CFL.

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1 22. As noted above, Christianos has refused to provide documents requested by the
2 Commissioner pursuant to her regulatory examination of Moo Loans. Specifically, the
3 Commissioner requested certain documents and information from Moo Loans on January 3, 2022 and
4 extended the deadline to provide those documents to January 31, 2022. Nevertheless, to date, neither
5 Christianos nor Moo Loans have provided any of the additional information requested, apparently
6 under the mistaken belief that filing an application for license surrender relieved them of the
7 obligation to respond.³

8 23. Accordingly, the Commissioner finds that Christianos and Moo Loans have violated
9 the following sections of the CFL:

- 10 i. Section 22158 by failing to provide information requested by the Commissioner
- 11 within 48 hours.
- 12 ii. Subsection (a) of Section 22701 by failing to provide free access to Moo Loan’s
- 13 loan files upon request.
- 14 iii. Subsection (a) of Section 22156 and subsection (a) of Section 22157 by failing to
- 15 keep the company’s books and records in such a condition that they could be
- 16 easily accessed and provided to the Commissioner upon request pursuant to a
- 17 regulatory examination.

18 **IV.**

19 **Violation #3: Failure to Consider Ability to Repay**

20 24. In “determining the size and duration” of a CFL loan, lenders must ensure that
21 borrowers have the “financial ability” to “reasonably . . . repay” the loan “in the time and manner
22 provided in the loan contract[.]” Cal. Code Regs., tit. 10, § 1452; Cal. Fin. Code § 22714(a)(4).

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27 ³ Even if the Commissioner had accepted Moo Loan’s surrender request, which she has not, the
28 Commissioner still retains the power and authority to examine, investigate, and prosecute violations
of the CFL even after a license is surrendered. *See* Cal. Fin. Code, §§ 22000, 22704, 22705, 22711.

1 25. Advertising on Moo Loan’s website claims that
2 Fill out all the required information for a Car Title Loan and we can tell you how
3 much money we can lend you against your title. *Everyone is approved* so don’t
4 worry if you have bad credit

5 26. Moo Loan’s claim that “everyone” is approved, without any qualification, is an
6 admission that it does not consider each consumer’s ability to repay the loans that the company
7 originates.

8 27. When asked by the Commissioner for information regarding the company’s
9 underwriting procedures and what factors Moo Loans uses in approving or denying a loan,
10 Christianos failed to provide that information to the Commissioner upon request.

11 28. Accordingly, the Commissioner finds that Moo Loans has violated subsection (a)(4) of
12 Section 22714 and Section 1452 of Title 10 of the California Code of Regulations by failing to
13 consider a consumer’s ability to repay in originating that consumer’s loan.

14 **V.**

15 **Violation 4: Failure to Comply with Credit Reporting Obligations**

16 29. AB 539 further amended the CFL to impose additional obligations on lenders who
17 lend at principal amounts of \$2,500.00 but less than \$10,000.00. Specifically, subsection (c)(1) of
18 Section 22304.5 provides that finance lenders “shall report each borrower's payment performance to
19 at least one consumer reporting agency that compiles and maintains files on consumers on a
20 nationwide basis.”

21 30. Moreover, subsection (c)(1)(B) of Section 22304.5 provides that before loan funds
22 may be distributed to a borrower, the lender must offer the borrower a credit education program or
23 seminar, offered by the lender or an independent third party, that has been reviewed by approved by
24 the Commissioner.

25 31. During the course of the Commissioner’s examination she requested documents and
26 information from Christianos showing that Moo Loans conducted the required credit reporting or that
27 it provided the required credit education materials to its borrowers after January 1, 2020. To date,

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1 neither Christianos nor Moo Loans have provided any evidence that the required credit reporting was
2 conducted or that the required credit education materials were provided to Moo Loans’s borrowers.

3 32. Accordingly, the Commissioner finds that Moo Loans has violated the following
4 sections of the CFL:

- 5 i. Subsection (c)(1) of Section 22304.5 by failing to report each borrower’s payment
6 performance to at least one national consumer reporting agency.
- 7 ii. Subsection (c)(1)(B) of Section 22304.5 by failing to provide required educational
8 materials to its borrowers.

9 **VI.**

10 **Violation #5: Conducting Business from Unlicensed Locations**

11 33. Subsection (a) of Section 22155 states that a CFL licensee “shall not transact the
12 business licensed or make any loan . . . provided for by this division under any other name or at any
13 other place of business than that named in the license except pursuant to a currently effective written
14 order of the commissioner authorizing the other name or other place of business.”

15 34. The Commissioner has not authorized Moo Loans to conduct any business at locations
16 other than its main office location at 6631 Lankershim Boulevard, North Hollywood, California.

17 35. During the Commissioner’s regulatory examination of Moo Loans, she discovered that
18 the company’s website claimed it has four “Local Offices” in California, including an additional
19 office in North Hollywood, one in Studio City, and one in Huntington Beach.

20 36. When the Commissioner asked Christianos to explain what business Moo Loans
21 conducts at these locations, Christianos failed to respond.

22 37. Accordingly, the Commissioner finds that Moo Loans has violated subsection (a) of
23 Section 22155 by conducting lending business at locations not authorized by the Commissioner.

24 **VII.**

25 **Relief Available to the Commissioner**

26 38. The Department of Financial Protection and Innovation, through the Commissioner,
27 has jurisdiction over the licensing and regulation of persons engaged in the business of lending and
28 brokering pursuant to the CFL.

1 39. Subsection (a)(2) of Section 22714 provides that the Commissioner shall revoke any
2 CFL license, upon notice and reasonable opportunity to be heard, if the Commissioner finds that the
3 licensee has violated any provision of the CFL, or any rule or regulation made by the Commissioner
4 under and within the authority of the CFL.

5 40. Subsection (a)(4) of Section 22714 provides that the Commissioner shall revoke any
6 CFL license, upon notice and reasonable opportunity to be heard, if the Commissioner finds that there
7 has been repeated failure by the finance lender, when making or negotiating loans, to take into
8 consideration in determining the size and duration of loans, the financial ability of the borrower to
9 repay the loan in the time and manner provided in the loan contract, or to refinance the loan at
10 maturity.

11 41. Subsection (a) of Section 22750 provides that if “any amount other than, or in excess
12 of, the charges permitted by [the CFL] is willfully charged, contracted for, or received, the contract of
13 loan is void, and no person has any right to collect or receive any principal, charges, or recompense in
14 connection with the transaction.”

15 42. Subsection (a) of Section 22169 provides that the Commissioner, after notice and an
16 opportunity to be heard, may bar a person from any position of employment with, or management or
17 control of, any finance lender or broker, if the Commissioner finds that the bar is in the public interest
18 and that the person has committed or caused to be committed a violation of the CFL, which the
19 person knew or should have known by the person committing it. By this action the Commissioner
20 seeks to bar Michael Francis Christianos from any further position of employment with, or
21 management or control of, any finance lender or broker due to his violations of the CFL, including
22 without limitation his failure to cooperate with the Commissioner’s regulatory examination of Moo
23 Loans.

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VIII.

Prayer for Relief

WHEREFORE, IT IS PRAYED that

43. Pursuant to subsection (a)(2) of Section 22714, the California Financing Law license of Respondent Moo Loans LLC be revoked due to violations of the following provisions of the CFL and rules and regulations made by the Commissioner under and within the authority of the CFL:

- a. Subsection (a) of Section 22304.5;
- b. Section 22306;
- c. Section 22158;
- d. Subsection (a) of Section 22701;
- e. Subsection (a) of Section 22156
- f. Subsection (a) of Section 22157;
- g. Section 1452 of Title 10 of the California Code of Regulations;
- h. Subsection (c)(1) of Section 22304.5;
- i. Subsection (c)(1)(B) of Section 22304.5;
- j. Subsection (a) of Section 22155;
- k. Subsection (a) of Section 22112; and
- l. Subsection (a) of Section 22154.

44. Pursuant to subsection (a)(4) of Section 22714, the California Financing Law license of Respondent Moo Loans LLC be revoked due to its repeated failure, when making or negotiating loans, to take into consideration in determining the size and duration of loans, the financial ability of the borrower to repay the loan in the time and manner provided in the loan contract, or to refinance the loan at maturity.

45. Pursuant to Section 22750, any loans made by Respondent Moo Loans LLC after January 1, 2020 through February 15, 2022, in which Respondent Moo Loans LLC willfully charged, contracted for, or received amounts other than, or in excess of, the charges permitted by the CFL are void, and no person has any right to collect or receive any principal, charges, or recompense in connection with the transaction.

1 46. Pursuant to subsection (a) of Section 22169 that Moo Loans LLC’s owner and former
2 managing member, Michael Francis Christianos, be barred from any further position of employment
3 with, or management or control of, any finance lender or broker due to his violations of the CFL,
4 such as: (1) his management and causing of Moo Loan’s failure to comply with the CFL including
5 without limitation the interest rate limitations, credit reporting, and credit education requirements of
6 AB 539; (2) his failure to keep Moo Loan’s books and records in good order such that they could be
7 provided to the Commissioner upon demand and within the time period provide by the CFL; and
8 (3) his failure to cooperate with the Commissioner’s examination of Moo Loans and his attempt to
9 avoid this obligation by unsuccessfully submitting a request to surrender Moo Loans’s CFL license.

10 47. The Commissioner finds that barring Christianos is in the public interest, that
11 Christianos has committed or caused a violation of the CFL, and that Christianos knew or should
12 knave known that his actions would violate the CFL and that his actions caused material damage to
13 Moo Loans LLC and the public.

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15 Dated: February 15, 2022
16 Los Angeles, CA

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

17 By _____
18 Taylor Steinbacher
19 Senior Counsel
20 Enforcement Division