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11 Attorneys for Complainant

12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
13 OF THE STATE OF CALIFORNIA  
14

15 In the Matter of: ) CFL LICENSE NO.: 603-1829  
16 )  
17 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, ) ORDER REVOKING CALIFORNIA  
18 ) FINANCING LAW LICENSE  
Complainant, )  
19 )  
20 v. )  
21 )  
FIDELITY COASTAL FUNDING COMPANY,) )  
22 INC., )  
23 )  
Respondent. )  
24 )

25 The Complainant, Commissioner of Financial Protection and Innovation (Commissioner)  
26 finds that:

27 1. The Commissioner has jurisdiction over the licensing and regulation of persons and  
28 entities engaged in the business of finance lending or brokering under the California Financing Law

1 (CFL) (Fin. Code, § 22000 *et seq.*).

2 2. Respondent, Fidelity Coastal Funding Company, Inc. (Fidelity Coastal) is a  
3 corporation with a principal place of business at 11952 Wilshire Boulevard, Los Angeles, California  
4 90025.

5 3. Fidelity Coastal is licensed as a finance lender under the CFL with license number  
6 603-1829.

7 4. Financial Code section 22159 requires CFL licensees to file an annual report with the  
8 Commissioner by March 15 of each year reflecting the licensee's previous calendar year's business  
9 and operations (Annual Report).

10 5. Financial Code section 22104, subdivision (a), requires that CFL licensees maintain a  
11 net worth of at least twenty-five thousand dollars (\$25,000) at all times.

12 6. A regulatory examination of Fidelity Coastal was commenced on April 24, 2020,  
13 which revealed that Fidelity Coastal failed to maintain the minimum net worth at all times, in  
14 violation of Financial Code section 22104, subdivision (a).

15 7. On March 14, 2019, Fidelity Coastal submitted its 2018 CFL Annual Report, which  
16 was prepared by a Certified Public Accountant (CPA). The 2018 CFL Annual Report shows that  
17 Fidelity Coastal had a net worth of -\$16,065.00, which is less than the minimum net worth of  
18 \$25,000, in violation of Financial Code section 22104, subdivision (a).

19 8. Fidelity Coastal's balance sheet as of December 31, 2018, shows a net worth of  
20 \$19,300.32, which is also less than the minimum net worth of \$25,000, in violation of Financial  
21 Code section 22104, subdivision (a).

22 9. On March 12, 2020, Fidelity Coastal submitted its CPA prepared 2019 CFL Annual  
23 Report showing a net worth of -\$20,186.00, which is less than the minimum net worth of \$25,000, in  
24 violation of Financial Code section 22104, subdivision (a).

25 10. Fidelity Coastal's balance sheet as of December 31, 2019, shows a net worth of  
26 \$15,179.32, which is also less than the minimum net worth of \$25,000, in violation of Financial  
27 Code section 22104, subdivision (a).

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1           11.     On April 24, 2020, Fidelity Coastal reportedly received a \$50,000 cash transfer from  
2 its affiliate, allowing Fidelity Coastal to meet its minimum net worth from April 2020 through  
3 August 2020.

4           12.     The examination further noted that prior regulatory examination in October of 2012  
5 showed that Fidelity Coastal had failed to maintain the minimum net worth as of December 31,  
6 2011. On or about October 2, 2012, the Department had notified Fidelity Coastal that it was in  
7 violation of Financial Code section 22104, and demanded that Fidelity Coastal comply with  
8 Financial Code section 22104, subdivision (a).

9           13.     On November 5, 2020, the Department again notified Fidelity Coastal of its failure to  
10 maintain the minimum net worth at all times, and demanded a response and compliance with  
11 Financial Code section 22104, subdivision (a).

12           14.     On March 2, 2021, Fidelity Coastal submitted its CPA prepared 2020 CFL Annual  
13 Report showing a net worth of -\$24,758.00, which is less than the minimum requirement amount of  
14 \$25,000, in violation of Financial Code section 22104, subdivision (a).

15           15.     On March 15, 2022, Fidelity Coastal submitted its CPA prepared 2021 CFL Annual  
16 Report showing a net worth of -\$30,109.00, which is less than the minimum requirement of \$25,000,  
17 in violation of Financial Code section 22104, subdivision (a).

18           16.     Financial Code section 22714 provides in pertinent part:

19                   (a) The commissioner shall suspend or revoke any license, upon notice  
20 and reasonable opportunity to be heard, if the commissioner finds any  
21 of the following:

22                   (1) The licensee has failed to comply with any demand, ruling, or  
23 requirement of the commissioner made pursuant to and within the  
24 authority of this division.

25                   (2) The licensee has violated any provision of this division or any rule  
26 or regulation made by the commissioner under and within the authority  
27 of this division. . . .

28           17.     The Commissioner finds that Fidelity Coastal has violated Financial Code  
section 22104, subdivision (a) by failing to maintain the minimum net worth of \$25,000 at all times,  
and has failed to comply with the Commissioner’s demands or requirement, and grounds exist to

1 revoke the California Financing Law license of Fidelity Coastal.

2 18. On March 25, 2022, pursuant to Financial Code section 22714, subdivision (a), the  
3 Commissioner issued to Fidelity Coastal a Notice of Intention to Issue Order Revoking California  
4 Financing Law License, Accusation to revoke the California Financing Law license, and  
5 accompanying documents for violating Financial Code section 22104, subdivision (a), and for failing  
6 to comply with the Commissioner’s demand, ruling, or requirement (Accusation to Revoke).

7 19. On March 29, 2022, Fidelity Coastal was served with the Accusation to Revoke.

8 20. On April 11, 2022, Fidelity Coastal filed its Notice of Defense requesting an  
9 administrative hearing.

10 21. On May 24, 2022, Fidelity Coastal withdrew its Notice of Defense and request for an  
11 administrative hearing, and consented to the revocation of its California Financing Law license.

12 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance  
13 lender license issued by the Commissioner to Fidelity Coastal Funding Company, Inc. is hereby  
14 revoked. This order is effective as of the date hereof.

15 Dated: June 14, 2022  
16 Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



17  
18 By: \_\_\_\_\_  
19 MARY ANN SMITH  
20 Deputy Commissioner  
21 Enforcement Division  
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