

1 CLOTHILDE V. HEWLETT  
 Commissioner  
 2 MARY ANN SMITH  
 Deputy Commissioner  
 3 DANIEL P. O’DONNELL  
 Assistant Chief Counsel  
 4 JOSHUA SCHIEBER (State Bar No. 276397)  
 Senior Counsel  
 5 Department of Financial Protection and Innovation  
 One Sansome St., Suite 600  
 6 San Francisco, California 94104  
 Telephone: (415) 349-1243  
 7 Facsimile: (415) 972-8500  
 8 Attorneys for Complainant

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 10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
 11 OF THE STATE OF CALIFORNIA  
 12

13 In the Matter of: )  
 )  
 14 THE COMMISSIONER OF FINANCIAL ) CFL LICENSE No.: 60DBO-61880  
 15 PROTECTION AND INNOVATION, )  
 ) **CONSENT ORDER**  
 16 Complainant. )  
 )  
 17 v. )  
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 18 CREDEO FINANCE, INC., )  
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 19 Respondent. )  
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3 This Consent Order is entered into between the Commissioner of Financial Protection and  
4 Innovation (Complainant or Commissioner) and Respondent Credeo Finance, Inc. (Respondent) and  
5 is made with respect to the following facts:

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7 **I.**  
8 **RECITALS**

9 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
10 entities engaged in the business of finance lending or brokering under the California Financing Law  
11 (CFL) (Fin. Code, § 22000 et seq.).<sup>1</sup>

12 B. Respondent is a California corporation.

13 C. Respondent has a principal place of business at 11480 Ventura Boulevard, Studio  
14 City, California, 91604.

15 D. Respondent is licensed as a finance lender under the California Financing Law (CFL)  
16 (Fin. Code, § 22000, et seq.) with license number(s) 60DBO-61880.

17 E. Under Financial Code section 22150, Complainant may make general rules and  
18 regulations and specific rulings, demands, and findings for the enforcement of, and within the  
19 general purposes of, the CFL.

20 F. Pursuant to a Commissioner’s Order on Electronic Communications, dated November  
21 22, 2013, each CFL licensee must establish an email address for communications from the  
22 Commissioner (Designated Email Address).

23 G. Under California Code of Regulations, Title 10, Section 1422.4 (Regulation 1422.4),  
24 which went into effect on October 1, 2021, all CFL licensees were required to transition to the  
25 Nationwide Multistate Licensing System and Registry (NMLS) by December 31, 2021. On  
26 December 16, 2021, Complainant extended the deadline to transition to NMLS to March 15, 2022.  
27 On March 7, 2022, Complainant again extended the deadline to transition to NMLS to March 31,  
28 2022.

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<sup>1</sup> Cal. Fin. Code § 22000, *et seq.* All subsequent statutory references are to the California Financial Code unless otherwise specified.

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2 H. Complainant provided notice of this requirement to Respondent – via email to the  
3 Designated Email Address of each CFL licensee on July 20, 2021, September 16, 2021, October 14,  
4 2021, November 8, 2021, and December 16, 2021. Complainant also provided notice via email to  
5 each CFL licensee that had not yet transitioned to NMLS, including Respondent, on March 7, 2022,  
6 and again via email and mail on March 28, 2022. Complainant provided further notice of this  
7 requirement over the telephone – Complainant made at least two calls to the designated telephone  
8 number provided by each CFL licensee, including Respondent – between February 1 and March 15,  
9 2022.

10 I. Complainant determined that Respondent was in violation of Regulation 1422.4 and  
11 had not transitioned management of its CFL license to NMLS as of July 22, 2022. Accordingly,  
12 Complainant issued a Citation on July 22, 2022 pursuant to Financial Code section 22707.5,  
13 subdivision (a). The Citation included an order to correct the violation and an order to pay an  
14 administrative fine in the amount of \$2,500.00 to the Commissioner by September 20, 2022.

15 J. Complainant served the Citation on Respondent via certified mail on July 22, 2022  
16 and by electronic mail at Respondent’s Designated Email Address on July 22, 2022.

17 K. To date, Respondent has not complied with the order to correct the violation by  
18 transitioning its license/each of its licenses to NMLS.

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

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

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24 **II.**

25 **TERMS AND CONDITIONS**

26 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy  
27 and expediency and without the uncertainty and expense of a hearing or other litigation.  
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1           2.       Transition to NMLS. Respondent shall complete the transition of its license to  
2 NMLS as required by Regulation 1422.4 within 30 days of the effective date of this Consent Order  
3 as defined in paragraph 23.

4           3.       Failure to Transition License to NMLS. If Respondent fails to comply with  
5 paragraph 2, the Commissioner may summarily revoke Respondent’s license.

6           4.       Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner  
7 is ready, willing, and able to file an accusation to revoke Respondent’s license pursuant to Financial  
8 Code section 22714 and proceed with a hearing on the accusation. Respondent hereby waives the  
9 right to any notice or hearings, and to any reconsideration, appeal, or other right to review which  
10 may be afforded pursuant to the CFL, the California Administrative Procedure Act, the California  
11 Code of Civil Procedure, or any other provision of law. By waiving such rights, Respondent  
12 effectively consents to this Consent Order becoming final.

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

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

22           7.       Future Actions by Commissioner. If Respondent fails to comply with the terms of the  
23 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
24 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
25 against Respondent, or any of its partners, owners, officers, shareholders, directors, employees, or  
26 successors for any and all unknown violations of this CFL.

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1           8.     Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s  
2 ability to assist any other government agency (city, county, state or federal) with any prosecution,  
3 administrative, civil or criminal action brought by that agency against Respondent or any other  
4 person based on any of the activities alleged in this matter or otherwise.

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

12          10.    Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
13 has had the opportunity to receive independent advice from an attorney(s) and/or representatives  
14 with respect to the advisability of executing this Consent Order.

15          11.    Headings. The headings to the paragraphs of this Consent Order are inserted for  
16 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
17 the provisions hereof.

18          12.    Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
19 interest.

20          13.    Reliance. Each of the parties represents, warrants, and agrees that in executing this  
21 Consent Order, it has relied solely on the statements set forth herein and the advice of its own legal  
22 counsel, if represented. Each of the parties further represents, warrants, and agrees that in executing  
23 this Consent Order it has placed no reliance on any statement, representation, or promise of any  
24 other party, or any other person or entity not expressly set forth herein, or upon the failure of any  
25 party or any other person or entity to make any statement, representation, or disclosure of anything  
26 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in  
27 any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of  
28 parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

1           14.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
2 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.  
3 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
4 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
5 provision of this Consent Order by the other party will be considered a waiver of any other condition  
6 or provision or of the same condition or provision at another time.

7           15.    Full Integration. This Consent Order is the final written expression and the complete  
8 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
9 between the parties with respect to the subject matter hereof, and supersedes all prior or  
10 contemporaneous agreements, negotiations, representations, understandings, and discussions  
11 between and among the parties, their respective representatives, and any other person or entity, with  
12 respect to the subject matter covered hereby.

13           16.    Governing Law. This Consent Order will be governed by and construed in  
14 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court  
15 and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
16 forum to the maintenance of such action or proceeding in such court.

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

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

24           19.    Voluntary Agreement. Respondent hereby enters into this Consent Order voluntarily  
25 and without coercion and acknowledges that no promises, threats, or assurances have been made by  
26 the Commissioner or any officer, or agent thereof, about this Consent Order. The parties each  
27 represent and acknowledge that he, she or it is executing this Consent Order completely voluntarily  
28 and without any duress or undue influence of any kind from any source.

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20. Notice. Any notice required under this Consent Order shall be provided to each party at the following addresses:

- To Respondent: Credeo Finance, Inc.  
Paul Orloff  
11480 Ventura Boulevard  
Studio City, CA 91604  
ek@finoctopus.com
- To the Commissioner: Joshua Schieber, Senior Counsel  
Department of Financial Protection and Innovation  
One Sansome St., Suite 600  
San Francisco, California 94104  
Josh.Schieber@dfpi.ca.gov

21. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

22. Public Record. Respondent hereby acknowledges that the Consent Order is and will be a matter of public record.

23. 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 Respondent at the following email address: ek@finoctopus.com.

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24. 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: February 13, 2023  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



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

Dated: February 13, 2023

Credeo Finance, Inc.

By \_\_\_\_\_  
Paul Orloff, President