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8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of: )  
13 )  
14 THE COMMISSIONER OF FINANCIAL ) CFL LICENSE No.: 603L137  
PROTECTION AND INNOVATION, )  
15 ) **CONSENT ORDER**  
16 Complainant. )  
17 )  
18 v. )  
19 )  
20 LIFTFORWARD, INC., )  
Respondent. )

21 This Consent Order is entered into between the Commissioner of Financial Protection and  
22 Innovation (Complainant or Commissioner) and Respondent Liftforward, Inc. (Respondent) and is  
23 made with respect to the following facts:

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**I.**  
**RECITALS**

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

B. Respondent is a Delaware corporation.

C. Respondent has a principal place of business at 222 Broadway, 19th Floor, New York, NY 10038.

D. Respondent was licensed as a finance lender under the California Financing Law (CFL) (Fin. Code, § 22000, et seq.) with license number 603L137

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

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

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

H. Complainant provided notice of this requirement to Respondent – via email to the Designated Email Address of each CFL licensee on July 20, 2021, September 16, 2021, October 14, 2021, November 8, 2021, and December 16, 2021. Complainant also provided notice via email to each CFL licensee that had not yet transitioned to NMLS, including Respondent, on March 7, 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.

1 and again via email and mail on March 28, 2022. Complainant provided further notice of this  
2 requirement over the telephone – Complainant made at least two calls to the designated telephone  
3 number provided by each CFL licensee, including Respondent – between February 1 and March 15,  
4 2022.

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

10 J. Complainant served the Citation on Respondent via certified mail on July 29, 2022  
11 and by electronic mail at Respondent’s Designated Email Address on July 29, 2022.

12 K. On April 25, 2023, the Commissioner issued an Accusation in Support of Order  
13 Revoking License Pursuant to Financial Code Section 22714.

14 L. On April 28, 2023, the Commissioner served the Accusation on Respondent via  
15 certified mail and by electronic mail at Respondent’s Designated Email Address.

16 M. Respondent did not request a hearing on the Accusation.

17 N. On June 6, 2023, the Commissioner issued an order revoking Respondent’s CFL  
18 license.

19 O. On June 9, 2023 the Commissioner served the order revoking Respondent's CFL  
20 license via Certified Mail, U.S. Postal Service and via U.S. Mail, U.S. Postal Service.

21 P. Between June 6, 2023 through June 20, 2023 Respondent issued at least five  
22 equipment finance leases to five California entities after Respondent’s CFL license was revoked.

23 Q. Under Financial Code section 22153, a CFL license is required to notify the  
24 Commissioner of any change in address at least ten days before the change.

25 R. Sometime before April 25, 2023, Respondent changed its address without informing  
26 the Commissioner.

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

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

3 **II.**

4 **TERMS AND CONDITIONS**

5 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy  
6 and expediency and without the uncertainty and expense of a hearing or other litigation.

7 2. Transition to NMLS. Respondent shall complete the transition of its license to  
8 NMLS as required by Regulation 1422.4 within 30 days of the effective date of this Consent Order  
9 as defined in paragraph 28.

10 3. Disclosure of Equipment Leases. Respondent shall disclose all equipment leases on  
11 its annual reports to the Commissioner.

12 4. Address Change. Respondent shall notify the Commissioner of its new address, if  
13 Respondent has not already, within ten (10) days of the effective date of this Consent Order.  
14 Respondent shall disclose its new address on any public websites, literature to all potential and  
15 current borrowers, on all financing documents, and on any and all regulatory or public databases,  
16 including but not limited to NMLS and any other database to which Respondent provides its address  
17 within thirty (30) days of the effective date of this Consent Order. Respondent shall notify the  
18 Commissioner of its current and any future email addresses where Respondent shall receive and  
19 monitor email communications from the Commissioner or her employees. Additionally, Respondent  
20 shall notify the Commissioner at least ten days before any future change in address.

21 5. Proof of Satisfactory Policies in Place to Prevent Future Violations: Respondent must  
22 provide proof of an internal policy that includes a chain of command for compliance with all  
23 statutory and regulatory requirements of the CFL within ten (10) days of the effective date of this  
24 Consent Order. The policy shall provide the name of the primary employee responsible for  
25 complying with all statutory and regulatory requirements of the CFL, including but not limited to  
26 monitoring Respondent’s mail, email, updating the Commissioner on Respondent’s change in  
27 address and email address, updating NMLS as required, and ensuring all California taxes are timely  
28 paid. The policy must describe the process for delegating responsibility from the primary employee

1 to at least two other employees in the event the primary employee is unavailable or otherwise  
2 incapacitated. The policy must not rely on the primary employee’s ability to delegate responsibility  
3 in the event the primary employee becomes unavailable or incapacitated. The policy must contain  
4 the names and positions of the backup employees responsible for ensuring Respondent complies  
5 with all statutory and regulatory requirements of the CFL and how these employees would know  
6 when they are required to assume the compliance duties ordinarily assigned to the primary  
7 employee. The policy must reasonably ensure, to the Commissioner’s satisfaction, that Respondent  
8 will comply with all administrative, reporting, and tax related obligations.

9       6.     Administrative Penalty. Respondent shall pay an administrative penalty of  
10 \$20,000.00 no later than 30 days after the effective date of this Consent Order as defined in  
11 paragraph 28. The penalty must be made payable in the form of a cashier’s check or Automated  
12 Clearing House deposit to the Department of Financial Protection and Innovation and transmitted to  
13 the attention of Accounting – Litigation, Department of Financial Protection and Innovation, 2101  
14 Arena Boulevard, Sacramento, California 95834. Notice of the payment must be concurrently sent to  
15 Joshua Schieber, Senior Counsel, Department of Financial Protection and Innovation, One Sansome  
16 St. Ste. 600, San Francisco, California 94104/Josh.Schieber@dfpi.ca.gov.

17       7.     Order Rescinding Revocation Order. Upon timely and satisfactory completion of  
18 paragraphs 2, 4, 5, and 6 above, the Commissioner will rescind her June 6, 2023 revocation order  
19 and reinstate Respondent’s CFL license.

20       8.     Waiver of Notice and Hearing Rights. Respondent hereby waives the right to any  
21 notice or hearings, and to any reconsideration, appeal, or other right to review which may be  
22 afforded pursuant to the CFL, the California Administrative Procedure Act, the California Code of  
23 Civil Procedure, or any other provision of law. By waiving such rights, Respondent effectively  
24 consents to this Consent Order becoming final.

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

3 10. Failure to Comply with Consent Order. Respondent agrees that if it fails to comply  
4 with the terms of this Consent Order, the Commissioner may, in addition to all other available  
5 remedies it may invoke under the CFL, summarily revoke the CFL license of Respondent.  
6 Respondent waives any notice and hearing rights to contest such summary revocation which may be  
7 afforded under the CFL, the California Administrative Procedure Act, the California Code of Civil  
8 Procedure, or any other provision of law in connection therewith.

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

13 12. Future Actions by Commissioner. If Respondent fails to comply with the terms of the  
14 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
15 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
16 against Respondent, or any of its partners, owners, officers, shareholders, directors, employees, or  
17 successors for any and all unknown violations of the CFL.

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

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

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

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

7           17.    Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
8 interest.

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

18           19.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
19 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.  
20 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
21 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
22 provision of this Consent Order by the other party will be considered a waiver of any other condition  
23 or provision or of the same condition or provision at another time.

24           20.    Full Integration. This Consent Order is the final written expression and the complete  
25 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
26 between the parties with respect to the subject matter hereof, and supersedes all prior or  
27 contemporaneous agreements, negotiations, representations, understandings, and discussions  
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1 between and among the parties, their respective representatives, and any other person or entity, with  
2 respect to the subject matter covered hereby.

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

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

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

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

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

21 To Respondent: Liftforward, Inc.  
22 Jeffrey Rogers  
23 222 Broadway, 19<sup>th</sup> Floor  
24 New York, NY 10038  
compliance@liftforward.com

25 To the Commissioner: Joshua Schieber, Senior Counsel  
26 Department of Financial Protection and Innovation  
27 One Sansome St., Ste. 600  
28 San Francisco, California 94104  
Josh.Schieber@dfpi.ca.gov



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

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

28. 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: [compliance@liftforward.com](mailto:compliance@liftforward.com).

29. 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: December 8, 2023  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



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

Dated: December 4, 2023

LIFTFORWARD, INC.

By \_\_\_\_\_  
Jeffrey Rogers, President and Chief Executive Officer