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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the matter of:)	
)	
THE COMMISSIONER OF FINANCIAL)	CFL LICENSE NO.: 603K078
PROTECTION AND INNOVATION,)	
)	
Complainant,)	ACCUSATION IN SUPPORT OF ORDER
v.)	REVOKING CALIFORNIA FINANCING
)	LAW LICENSE OF RESPONDENT WHITE
WHITE GLASS LENDING, LLC,)	GLASS LENDING, LLC
)	
Respondent.)	

The Commissioner of Financial Protection and Innovation (Commissioner) is informed and believes, and based upon such information and belief, alleges and charges Respondent White Glass Lending, LLC (Respondent or White Glass) as follows:

I.
INTRODUCTION

1. 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.).
2. Respondent is a limited liability company, with a principal place of business at 230 W Towne Ridge Parkway, Suite 520, Sandy, Utah 84070.

1 8. On December 6, 2023, White Glass submitted an incomplete response to IDR #2,
2 which solely included links to the company's Dropbox folders. The folders included some of the
3 information requested, however, they did not include all the required items to conduct the
4 examination. White Glass responded that it did not provide a complete response to IDR #2 due to
5 “December and January being the busiest months and not having the time to put the documents in
6 stack order as requested.”

7 9. On December 8, 2023, DFPI requested by email that White Glass provide loan
8 payment schedules and evidence of loan disbursements for two loans by December 12, 2023, and
9 for remaining loans by December 18, 2023. White Glass failed to respond to this request. DFPI
10 sent a follow-up email for the requested information on December 14, 2023, and White Glass
11 failed to respond again.

12 10. On December 29, 2023, the DFPI sent White Glass a Demand Letter to produce
13 books and records (Demand Letter) and Information and Documents Request #3 (IDR #3).

14 11. On January 9, 2024, White Glass requested an extension until mid or end of
15 February 2024 to respond to the Demand Letter, IDR #2, and IDR #3. DFPI denied the extension
16 request.

17 12. On February 29, 2024, White Glass reached out to the DFPI, advising the DFPI that
18 it had uploaded certain requested documents. However, White Glass did not fully respond to the
19 DFPI’s demand for documentation necessary to complete the regulatory examination.

20 13. As of the date hereof, White Glass has failed to submit the following documents:

- 21 a. A copy of the current business plan, including identifying any new or proposed
22 material changes in business strategy since last examination or date licensed;
- 23 b. Supporting documentation for charges or evidence of refund pertaining to
24 recordings fees related to loans 3487 Rodeo and 3654 Murietta; and
- 25 c. Sufficient clarification on White Glass’ association with Aclaime Credit Strategies
26 Fund, LP and an explanation as to why Aclaime Credit Strategies Fund, LP appears
27 as “Lender” in a secured promissory note.

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III.

FAILURE TO MAINTAIN NET WORTH AT ALL TIMES

14. Pursuant to Financial Code section 22104(a), all lenders licensed under the CFL are required to maintain a net worth of \$25,000.00.

15. Pursuant to Financial Code section 22159, all licensees under the CFL are required to file with the Commissioner an Annual Report that details their CFL activities and also includes financial statements for the calendar year ended December 31.

16. On March 18, 2020, Respondent reported in its CFL Annual Report that it had a net worth of less than \$25,000 in violation of Financial Code section 22104(a).

17. On March 18, 2021, Respondent reported in its CFL Annual Report that it had a net worth less than \$25,000 in violation of Financial Code section 22104(a).

18. On April 12, 2022, Respondent reported in its CFL Annual Report that it had a net worth of less than \$25,000 in violation of Financial Code section 22104(a).

19. On April 27, 2023, Respondent reported in its CFL Annual Report that it had a net worth of less than \$25,000 in violation of Financial Code section 22104(a).

20. During the regulatory examination, White Glass was requested to provide a month-end Balance Sheet and Profit & Loss Statement to confirm compliance with the net worth requirements. In response, White Glass provided a 2022 Profit & Loss Statement, which included a surety bond as an asset. A surety bond is not an asset and is a separate requirement for a CFL license. Removing the surety bond from its assets, White Glass' net worth is \$9,947.45, which is less than the minimum requirement of \$25,000, in violation of Financial Code section 22104(a).

IV.

**FAILURE TO MAINTAIN AN ACTIVE STATUS WITH THE CALIFORNIA
SECRETARY OF STATE**

21. Pursuant to California Code of Regulations, title 10, section 1422, a corporate applicant for a CFL license is required to submit an original certificate of good standing from the California Secretary of State evidencing that the corporate applicant is qualified to do business in the State of California. The CFL licensee is required to maintain an active status and remain in

1 good standing with the California Secretary of State.

2 22. During the regulatory examination, White Glass' status with the California
3 Secretary of State was found to be inactive from October 3, 2022 to November 29, 2023.

4 V.

5 **APPLICABLE LAW**

6 23. Financial Code section 22714 provides, in pertinent part:

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

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

13 (2) A fact or condition exists that, if it has existed at the
14 time of the original application for the license,
15 reasonably would have warranted the commissioner in
16 refusing to issue the license originally.

17 VII.

18 **PRAYER**

19 24. By failing to provide the financial records demanded by the Commissioner,
20 Respondent has failed to comply with demand, ruling, or requirement of the Commissioner made
21 pursuant to and within the authority of the CFL.

22 25. By failing to maintain an adequate net worth as required by Financial Code section
23 22104, Respondent has violated a provision of the CFL.

24 26. By failing to maintain an active status with the California Secretary of State,

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Respondent has violated a provision of the CFL.

WHEREFORE, IT IS PRAYED that Respondent’s CFL license be revoked.

Dated: May 14, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By: _____
Nami R. Kang
Senior Counsel
Enforcement Division