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**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

To: Equity Federal Credit Union

**CEASE AND DESIST ORDER  
(For violations of Financial Code section 14050)**

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

1. The Commissioner is responsible for enforcing provisions of the California Financial Code commencing at section 550 and is authorized to pursue administrative actions and remedies against persons who violate those provisions.
2. The Commissioner has jurisdiction over the regulation of persons operating credit unions in California under the California Credit Union Law, Financial Code sections 14000 through 16906. Operating a credit union means operating a cooperative that has been organized for the purposes of promoting thrift and savings among its members, creating a source of credit for those members, and providing an opportunity for members to use and control their own money on a democratic basis. Cal. Fin. Code § 14002.
3. At all relevant times, Equity Federal Credit Union is and was a business entity of unknown type with an unknown principal place of business offering its services to California consumers.
4. At all relevant times, Equity Federal Credit Union maintained a website at [www.equityfederalcreditsunion.com](http://www.equityfederalcreditsunion.com).
5. That website made the following statements to the general public and at least one California consumer as follows:
  - a. “Equity Federal Credit Union is one of the world’s largest banking and financial services organisations [sic].”
  - b. “Online banking... Get Started.”
  - c. “Savings accounts... See how we could help your money work harder for you.”

1 6. On or about August 17, 2023, an individual holding themselves out as “Jim Harris,”  
2 claiming to be an Equity Federal Credit Union manager, made the following statements to an  
3 individual:

- 4 a. “...the Loan financia[l] department regards that you have not paid for your Loan  
5 Insurance Fee sum of 4650 USD.”
- 6 b. “We are informing you that our bank has received your transfer application for  
7 Business Loan....”
- 8 c. “Be cleared [sic] that this fee is for loan Insurance to our bank..”

9 7. Under the California Credit Union Law, Financial Code section 14000 *et seq.*, no person  
10 other than those authorized by the Commissioner may use a name or title containing the phrase  
11 “credit union.” *See* Cal. Fin. Code § 14050.

12 8. Pursuant to Financial Code section 567, “If the commissioner finds that a person has  
13 conducted, or that there is reasonable cause to believe that a person is about to conduct, business  
14 that requires a license issued by the commissioner and that person has not been issued the required  
15 license, the commissioner may, without any prior notice or hearing, order the person to cease and  
16 desist from conducting any unauthorized business unless and until the person is issued a license to  
17 engage in appropriate license business.”

18 9. For the purposes of Financial Code section 567, “licensee” includes any credit union  
19 authorized by the Commissioner to conduct business under the California Credit Union Law. Cal.  
20 Fin. Code § 185(g).

21 Based on the foregoing findings, the Commissioner finds that Equity Federal Credit Union is  
22 operating in this state using a name or title containing the phrase “credit union” without first  
23 obtaining a certificate of authorization from the Commissioner in violation of Financial Code section  
24 14050. The Commissioner finds that Equity Federal Credit Union has violated Financial Code  
25 section 14050.

26 Further, based on the above, the Commissioner finds that Equity Federal Credit Union has  
27 conducted, or is reasonably likely to conduct, business that requires a license issued by the  
28 Commissioner without first obtaining that license, in violation of Financial Code section 567.

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Accordingly, under Financial Code section 567, Equity Federal Credit Union is ordered to cease and desist from using a name with contains the phrase “credit union” without first obtaining a certificate of authority from the Commissioner. Equity Federal Credit Union is also ordered to cease and desist from conducting any business requiring a license from the Commissioner without first obtaining a certificate of authority from the Commissioner.

This Order is necessary, in the public interest, for the protection of consumers and consistent with the purposes, policies and provision of the California Financial Institutions Law.

Dated: July 29, 2024  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



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