

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Paragon Funding Group, LLC
Chris Jovaras, President
Dawn Jovaras, Managing Member
3651 Lindell Road, Suite D, #220
Las Vegas, Nevada 89103-1200

DESIST AND REFRAIN ORDER

(For Violations of section 22100 and 23005 of the California Financial Code)

The California Corporations Commissioner (“Commissioner”) finds that:

1. The Commissioner is informed and believes and based upon such information and belief alleges that Paragon Funding Group, LLC (“Paragon”) is, and was at all relevant times herein a limited liability company registered in Nevada, doing business in California as a payday lender and a commercial lender, with a principal address at 3651 Lindell Road, Suite D, #220, Las Vegas, Nevada 89103-1200. The company operated a website at www.paragonfunding.net. At all relevant times herein, Chris Jovaras was President of Paragon and the managing members of Paragon were Chris Jovaras and Dawn Jovaras.

2. Paragon has engaged in the business of deferred deposit transactions in California by originating transactions in this state as described below. Paragon has also engaged in the business of making consumer loans in California without a license.

3. Paragon is an online payday lender. Paragon has transacted business by means of the internet with a resident of California. By offering and charging a California resident for its services Paragon, Chris Jovaras and Dawn Jovaras are conducting business in the State of California.

4. A deferred deposit transaction is a written transaction whereby one person gives funds to another person upon receipt of a personal check and it is agreed that the personal check shall not be deposited until a later date.

5. Paragon has not been issued a license by the Commissioner authorizing it to engage in

1 the business of deferred deposit transactions under the California Deferred Deposit Transaction Law
2 (“CDDTL”) in violation of California Financial Code section 23005.

3 6. Paragon, Chris Jovaras and Dawn Jovaras are not exempt from the licensing
4 requirement of California Financial Code section 23005.

5 7. In October, 2010 a California resident borrowed the sum of \$300 from Paragon. By
6 December of 2010 the resident had repaid to Paragon the sum of \$750. In February of 2011 the
7 resident borrowed the sum of \$300 from Paragon, and by March of 2011 the resident had paid
8 Paragon \$360 on this second loan. Paragon required that the borrower provide Paragon with
9 authority to submit one or more checks to the borrower’s bank allowing Paragon to access the
10 borrower’s bank account to take out payments on the loan from Paragon. By entering into these
11 transactions in California without a license, Paragon, Chris Jovaras and Dawn Jovaras are subject to
12 California Financial Code sections 23050 and 22712.

13 California Financial Code section 23050 provides in pertinent part:

14 Whenever, in the opinion of the commissioner, any person is engaged in the
15 business of deferred deposit transactions, as defined in this division, without a
16 license from the commissioner . . . the commissioner may order that person or
17 licensee to desist and to refrain from engaging in the business If, within 30
18 days, after the order is served, a written request for a hearing is filed and no hearing
19 is held within 30 days thereafter, the order is rescinded.

18 California Financial Code section 22712 provides:

19 Whenever, in the opinion of the commissioner, any person is engaged in
20 business as a broker or finance lender, as defined in this division, without
21 a license from the commissioner or any licensee is violating any provision
22 of this division, the commissioner may order that person or licensee to desist
23 and to refrain from engaging in the business or further violating this division.
24 If, within 30 days after the order is served, a written request for a hearing is filed
25 and no hearing is held within 30 days thereafter, the order is rescinded.

24 By reason of the foregoing, the California Corporations Commissioner is of the opinion that
25 Paragon Funding Group, LLC, Chris Jovaras and Dawn Jovaras have engaged in the business of
26 deferred deposit transactions without having first obtained a license from the Commissioner in
27 violation of California Financial Code section 23005. By providing loans to California residents by
28 means of the internet without first having obtained a license, the Commissioner is of the opinion that

1 Paragon Funding Group, LLC, Chris Jovaras and Dawn Jovaras are in violation of California
2 Financial Code section 22100.

3 Pursuant to California Financial Code sections 23050 and 22712, Paragon Funding Group,
4 LLC, Chris Jovaras and Dawn Jovaras are hereby ordered to desist and refrain from engaging in the
5 business of deferred deposit transactions or from engaging in the business of a finance lender in the
6 State of California, without first obtaining a license from the Commissioner, or otherwise being
7 exempt. This Order is necessary, in the public interest, for the protection of consumers and is
8 consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction
9 Law and the California Finance Lenders Law. This Order shall remain in full force and effect until
10 further order of the Commissioner.

11 Dated: July 26, 2011
12 Los Angeles, California

13 PRESTON DuFAUCHARD
14 California Corporations Commissioner

15
16 By _____
17 ALAN S. WEINGER
18 Deputy Commissioner
19 Enforcement Division
20
21
22
23
24
25
26
27
28