STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Cachet Financial Services (formerly known as Cachet Banq, Inc.)
Al Blowers
750 E. Green Street, Suite 315
Pasadena, CA 91101

DESIST AND REFRAIN ORDER

(For violations of section 22100 of the California Financial Code)

The Commissioner of Corporations ("Commissioner") finds that:

1. At all relevant times, Cachet Financial Services, formerly known as Cachet Banq, Inc. (hereafter "Cachet"), was a California corporation doing business at 750 E. Green Street, Suite 315, Pasadena, California 91101. Cachet maintains a website at www.cachetbanq.com.

2. At all relevant times, Al Blowers ("Blowers") was the president of Cachet.

3. According to its website, Cachet is "a national financial services company which provides ACH Processing, Payroll Tax Processing, Garnishment Payments, W-2 Printing & Distribution, New Hire Reporting, Corporate Financing and Drawdown FedWire® services to the Payroll Service Industry and Mid-market to Large Corporate Employers."

4. Starting as early as April 2011, Cachet has marketed "Corporate Financing" options on its website. An April 2011 press release posted on the website attested to a loan recently made to a customer and explained, "Cachet Banq continues to provide financing to their payroll service partners for equipment/building purchases, mergers and acquisitions, or business expansion."

5. Between February 2008 and April 2012, Cachet made at least five commercial loans exceeding $5,000 to its customers. Two of these five commercial loans were made in April 2012; one loan was for $420,000 with a 6.75% annual interest rate, and the other for $400,000 with an approximately 7% annual interest rate.

6. Financial Code section 22009 defines a finance lender as "any person who is engaged in the business of making . . . commercial loans."

7. Financial Code section 22502 defines a "commercial loan" as "a loan of a principal amount of five thousand dollars ($5,000) or more, or any loan under an open-end credit program, whether secured by either real or personal property, or both, or unsecured, the proceeds of which are intended by the borrower for use primarily for other than personal, family, or household purposes."

8. Neither Cachet nor Blowers are licensed by the Commissioner to engage in the business of finance lending as required by Financial Code section 22100.

Based on the foregoing findings, the Commissioner of Corporations is of the opinion that Cachet Financial Services, formerly known as Cachet Banq, Inc., and Al Blowers have engaged in the business of a finance lender and/or broker in violation of Financial Code section 22100. Pursuant to Financial Code section 22712, Cachet Financial Services, formerly known as Cachet Banq, Inc., and Al Blowers are hereby ordered to desist and refrain from engaging in the business of a finance lender or broker in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Finance Lenders Law.

Dated: April 12, 2013
Sacramento, California

JAN LYNN OWEN
Commissioner of Corporations

By:_____
MARY ANN SMITH
Deputy Commissioner

State of California - Department of Corporations