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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

13 In the Matter of:) CFL FILE NO. 60DBO-35876
14 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) STIPULATION
15)
16 Complainant,)
17 v.)
18 GRAMEEN AMERICA, INC.)
19 Respondent.)

21 In consideration of the application filed by Grameen America, Inc. (Respondent) for a license
22 under the California Finance Lenders Law (CFLL) (Fin. Code, § 22000 et seq.), this Stipulation
23 (Stipulation) is entered into by and between the Commissioner of Business Oversight
24 (Commissioner), on the one hand, and Grameen America, Inc., on the other (Parties).

25 RECITALS

26 This Stipulation is made with reference to the following facts:

27 A. Respondent is a Massachusetts corporation organized in 2007 with its main office
28 located at 150 W 30th Street, Floor 8, New York, New York 10001 and a registered address of 523

1 W 6th Street, Suite 544, Los Angeles, California 90014. Respondent has never been licensed under
2 the CFLL.

3 B. Andrea Jung is the Chief Executive Officer, President and a control person of
4 Respondent and, as such, is authorized to enter into this Stipulation on behalf of Respondent.

5 C. On or about July 23, 2014, Respondent filed with the Commissioner an application
6 for licensure under the CFLL (CFL File No. 60DBO-35876).

7 D. During the Commissioner's review of the application and information received
8 during the application process, it was disclosed that Respondent had engaged in unlicensed
9 finance lender activity in this state commencing on or about April 23, 2012 and made at least
10 18,529 consumer or commercial loans as of August 31, 2015. Respondent has continued to make
11 such loans in this state in violation of the CFLL.

12 E. The Commissioner is of the opinion that during the period of at least April 23,
13 2012 to present Respondent engaged in the business of a finance lender in this state by making at
14 least 18,529 consumer or commercial loans without first obtaining a license from the
15 Commissioner, then in effect, or being otherwise exempt, in violation of Financial Code section
16 22100.

17 F. It is the intention and desire of the Parties to resolve this matter without the
18 necessity of a hearing and/or other litigation.

19 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions
20 set forth herein, the Parties agree as follows:

21 TERMS AND CONDITIONS

22 1) Respondent stipulates that it is ordered to desist and refrain from engaging in the business
23 of a finance lender in this state in violation of Financial Code section 22100 and Respondent hereby
24 waives all rights to any hearing or appeal of said order.

25 2) The Commissioner shall issue a CFLL license to Respondent effective on May 16, 2016
26 subject to the following conditions:

27 a) Submit to the Commissioner within 45 calendar days of the execution of this
28 Stipulation a report of all loans made between April 23, 2012 to the date of execution of this

1 Stipulation. The report shall include for each loan, at a minimum, the borrower’s loan number, name,
2 last known address, loan amount, loan date, and interest charged.

3 b) Pay a penalty in the amount of \$10,000.00 in the form of a cashier’s check made
4 payable to the Department of Business Oversight for the making of unlicensed loans due within 30
5 days of the execution of this Stipulation.

6 c) Submit satisfactory evidence to the Commissioner that Respondent has:

7 i) within one (1) year of the execution of this Stipulation, refunded all usurious
8 amounts charged to California borrowers in excess of the ten (10) percent interest rate allowed under
9 article 15, section 1 of the California Constitution from April 23, 2012 to the date of execution of this
10 Stipulation on loans made when Respondent did not have a CFFL license, then in effect. Respondent
11 agrees to make a good faith effort to make such refunds as soon as practicable during that one (1)
12 year period; and,

13 ii) within 30 days of the next single loan cycle, or six (6) months, whichever is
14 shorter, following execution of this Stipulation, extinguished that portion of consumer debt on active
15 loans that exceeds the ten (10) percent annual interest rate allowed under article 15, section 1 of the
16 California Constitution (Extinguished Debt) on loans Respondent made without a CFFL license, then
17 in effect, to California borrowers from April 23, 2012 through the date of execution of this
18 Stipulation. Respondent agrees to forgive and not collect upon or make any attempt to collect upon
19 any Extinguished Debt. Respondent also agrees not to sell, assign, or otherwise transfer nor report to
20 any consumer reporting agency, any Extinguished Debt.

21 d) Satisfactory evidence of the refunds required pursuant to Paragraph 2(c) shall
22 include, at a minimum, the following for each and every loan: (i) the borrower’s loan number, name,
23 last known address, loan amount, loan date, interest charged; (ii) date of issuance of refund check;
24 and, (iii) evidence of refund in the form of a copy of the refund check or ACH deposit and
25 accompanying correspondence sent to the borrower.

26 e) Refunds issued pursuant to Paragraph 2(c) shall be sent to the borrower with the
27 accompanying notice: “Pursuant to an agreement entered with the California Department of Business
28 Oversight, a refund or adjustment in the amount of \$xxx.xx is being made for your benefit. If you

1 have any questions concerning this refund, please contact Grameen America, Inc. at (800) XXX-
2 XXXX.”

3 f) Information regarding Extinguished Debt pursuant to Paragraph 2(c), shall be sent
4 to the borrower with the accompanying notice: “Pursuant to an agreement entered with the California
5 Department of Business Oversight, that portion of your loan that exceeds the ten (10) percent annual
6 interest rate allowed under article 15, section 1 of the California Constitution is hereby extinguished.
7 Grameen America, Inc. agrees to forgive and not collect upon or make any attempt to collect upon,
8 and shall not sell, assign, or otherwise transfer nor report to any consumer reporting agency, any such
9 extinguished portion of your debt.”

10 g) Respondent shall submit the evidence of refunds and Extinguished Debt pursuant to
11 Paragraph 2(c) and penalty payment required pursuant to Paragraph 2(b) to the attention of Lindsay
12 Herrick, Counsel, Enforcement Division, at the Department of Business Oversight located at 1515 K
13 Street, Suite 200, Sacramento, California, 95814.

14 h) Respondent shall be responsible for ensuring that any outstanding refund payment
15 required by Paragraph 2(c) is escheated to the State of California pursuant to the provisions of the
16 California Unclaimed Property Law (Code of Civ. Proc., § 1500 et seq.).

17 3) Respondent agrees to summary revocation of the CFLL license and hereby waives all
18 rights to any hearing or appeal of the summary revocation if Respondent fails to comply with any of
19 the Terms and Conditions of the Stipulation.

20 4) Respondent acknowledges that remedies for violations of the CFLL are not exclusive and
21 may be sought and employed in any combination to enforce the purpose and provisions of this law.

22 5) Respondent agrees that nothing in this Stipulation shall preclude the Commissioner, or any
23 agent or employee thereof, to the extent authorized by law, from assisting or cooperating in any
24 investigation and/or action brought by any other federal, state or county agency. Respondent further
25 agrees that this Stipulation shall not bind or otherwise prevent any other federal, state or county
26 agency from the performance of its duties.

27 6) Respondent has had the opportunity to obtain the advice of legal counsel, and enters into
28 this Stipulation voluntarily and without coercion and acknowledges that no promises, threats or

1 assurances have been made by the Commissioner or any officer, or agent thereof, about this
2 Stipulation.

3 7) Respondent acknowledges that this Stipulation is a public record.

4 8) Respondent and the Commissioner agree that this Stipulation may be executed in one or
5 more separate counterparts, each of which when so executed, shall be deemed an original. Such
6 counterparts shall together constitute and be one and the same instrument.

7 9) This Stipulation shall not become effective until signed by all parties and delivered by the
8 Commissioner's agent to Respondent at the address set forth in Paragraph A.

9
10 Dated: 5/17/16 JAN LYNN OWEN
11 Commissioner of Business Oversight

12
13 By: _____
14 Mary Ann Smith
15 Deputy Commissioner

16 GRAMEEN AMERICA, INC.

17 Dated: 5/11/16 By: _____
18 Andrea Jung, President
19 On behalf of Grameen America, Inc.

20 Approved as to form:

21 Dated: 5/12/16 By: _____
22 Clinton R. Rockwell, Partner
23 Buckley Sandler, LLP
24 Attorney on behalf of Grameen America, Inc.