

OCCC CASE NO. L23-00032

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.: 1500053191	§	OFFICE OF CONSUMER
LEND STREET FINANCIAL, INC.	§	
610 16TH STREET, SUITE 520	§	CREDIT COMMISSIONER
OAKLAND, CALIFORNIA 94612	§	
	§	STATE OF TEXAS

ORDER OF REVOCATION

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order of Revocation against Lend Street Financial, Inc. (“Lend Street Financial”), based on the violations of law described below.¹

Statement of Facts and Law

Lend Street Financial is a regulated lender licensed by the OCCC under Chapter 342 of the Texas Finance Code. Lend Street Financial operates under master file number 1500053191 at one licensed location, under license number 153948. Lend Street Financial’s compliance officer is Shayne Smith, and its designated contact address is 610 16th St., Suite 520, Oakland, California 94612.

Under Chapter 342 of the Texas Finance Code and its implementing rules, a regulated lender must file annual reports with the OCCC.² A regulated lender must comply with all instructions from the OCCC relating to submitting the report.³ The report is due by May 1 of each year for the prior calendar year’s loan activity.⁴

On August 21, 2019, the OCCC issued an Order to File Timely and Accurate Annual Reports against Lend Street Financial for failing to file its 2018 annual report by the deadline of May 1, 2019. The order became final and enforceable. The order required Lend Street Financial to file its 2018 annual report, and to timely

¹ Tex. Fin. Code §§ 14.208, 342.156.

² Tex. Fin. Code § 342.559; 7 Tex. Admin. Code § 83.835.

³ 7 Tex. Admin. Code § 83.835.

⁴ 7 Tex. Admin. Code § 83.835; https://occc.texas.gov/industry/regulated-lenders/annual_reports

file complete and accurate annual future reports. Lend Street Financial ultimately filed its 2018 annual report.

On October 12, 2020, the OCCC issued an Order Imposing Administrative Penalty against Lend Street Financial for failing to file its 2019 annual report by the extended deadline of June 1, 2020. The order required Lend Street Financial to pay a \$500 administrative penalty and file its 2019 annual report. Lend Street Financial ultimately paid the \$500 administrative penalty and filed its 2019 annual report.

On September 7, 2022, the OCCC issued an Order Imposing Administrative Penalty against Lend Street Financial for failing to file its 2021 annual report by the deadline of May 1, 2022. The order required Lend Street Financial to pay a \$1,000 administrative penalty and file its 2021 annual report. As of the date of this Order, Lend Street Financial has not paid the \$1,000 administrative penalty and has not filed its 2021 annual report.

Authority

If the Consumer Credit Commissioner (“Commissioner”) has reasonable cause to believe that a person is violating Chapter 342 of the Texas Finance Code, the Commissioner may issue an order to cease and desist from the violation, to take affirmative action, or both to ensure compliance.⁵ If a regulated lender violates an injunction, then the Commissioner may impose an administrative penalty up to \$1,000 per day of the violation.⁶

The Commissioner may revoke a regulated lender license if: (1) the license holder, knowingly or without exercise of due care, violates Chapter 342, a rule adopted under Chapter 342, or an order issued under Chapter 342; or (2) a fact or condition exists that, if it had existed or had been known to exist at the time of the original application for the license, clearly would have justified the Commissioner’s denial of the application.⁷

By failing to timely file its 2018, 2019, and 2021 annual reports, Lend Street Financial violated Chapter 342 of the Texas Finance Code and its implementing rules. By failing to timely file its 2019 and 2021 annual reports, Lend Street Financial violated the OCCC’s Order to File Timely and Accurate Annual Reports

⁵ Tex. Fin. Code § 14.208(a).

⁶ Tex. Fin. Code § 14.208(c).

⁷ Tex. Fin. Code § 342.156.

issued on August 21, 2019. By failing to pay the \$1,000 administrative penalty and failing to file its 2021 annual report, Lend Street Financial violated the OCC's Order Imposing Administrative Penalty issued on September 7, 2022. These violations were committed knowingly or without exercise of due care. These violations would have justified denial of Lend Street Financial's original license application, if these violations had existed or been known to exist at the time of the license application.

For these reasons, the Commissioner issues this Order of Revocation.

Order

IT IS ORDERED that:

1. The regulated lender license of Lend Street Financial, Inc., master file number 1500053191, license number 153948, is REVOKED.
2. Lend Street Financial must cease and desist making, transacting, or negotiating loans under Chapter 342 of the Texas Finance Code.
3. Lend Street Financial must cease and desist contracting for, charging, or receiving, directly or indirectly, in connection with a loan under Chapter 342 of the Finance Code, any charge, including interest, compensation, consideration, or another expense.
4. Lend Street Financial must cease and desist entering new motor vehicle retail installment transactions, if it has done so.
5. Lend Street Financial must cease and desist collecting payments on motor vehicle retail installment transactions, if it has done so.
6. Lend Street Financial must cease and desist repossessing collateral including motor vehicles and must cease and desist selling any collateral that it has repossessed.
7. **No later than 30 days after the date of this Order**, Lend Street Financial must perform a self-review and identify each outstanding loan under Chapter 342 of the Texas Finance Code.

8. **No later than 30 days after the date of this Order**, for each outstanding loan under Chapter 342, Lend Street Financial must do one of the following:
 - a. assign the loan to another person who holds a license under Chapter 342 or is otherwise authorized to make loans under Chapter 342; or
 - b. refund all interest on the loan down to an effective annual interest rate of 10%.

9. **No later than 30 days after the date of this Order**, Lend Street Financial must perform a self-review and identify each outstanding motor vehicle retail installment transaction, including each sale of a motor vehicle for which First Fidelity is accepting payments or holds a lien.

10. **No later than 30 days after the date of this Order**, for each outstanding motor vehicle retail installment transaction, Lend Street Financial must do one of the following:
 - a. assign the transaction to another person who holds a license under Chapter 348 or is otherwise authorized to hold retail installment contracts under Chapter 348; or
 - b. cease collecting any payments and release any lien.

11. **No later than 30 days after the date of this Order**, Lend Street Financial must create a spreadsheet labeled "L23-00032LendStreetFinancial." The spreadsheet must list each transaction for which Lend Street Financial provided refunds, and each transaction that Lend Street Financial assigned to another person. The spreadsheet must include a row for each consumer and the following columns:
 - a. Account number
 - b. First and last name of consumer
 - c. Date of loan or retail installment transaction
 - d. Dollar amount of interest
 - e. Dollar amount of interest refunded to the consumer
 - f. Date of the refund
 - g. Date on which Lend Street Financial released the lien, if applicable
 - h. Date of the release of lien
 - i. Name of any person that Lend Street Financial assigned the transaction to, if applicable

12. **No later than 30 days after the date of this Order**, Lend Street Financial must send a copy of the spreadsheet to the OCCC. The spreadsheet must be sent by email to Matthew Nance at matthew.nance@occc.texas.gov.
13. Lend Street Financial must retain transaction records for each loan or other credit transaction, including copies of any refund checks and any ledgers showing account credits, until the later of the following:
 - a. the fourth anniversary of the date of the transaction; or
 - b. the second anniversary of the date on which the final entry is made in the record.
14. Lend Street Financial must allow the OCCC to investigate its records to verify compliance with this Order. If the OCCC requests any information regarding a loan or credit transaction, Lend Street Financial must provide the requested information within five days.

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 for each day.⁸

Right to Request Hearing

You have the right to request a hearing regarding this Order.⁹ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order.¹⁰ You must send your request to Matthew Nance, Deputy General Counsel, by mail to 2601 N. Lamar Blvd., Austin, TX 78705, or by email to matthew.nance@occc.texas.gov.

If you request a hearing, a hearing will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹¹ If you fail to request a hearing by this deadline, the Order will be considered final and enforceable.¹²

⁸ Tex. Fin. Code § 14.208(c).

⁹ Tex. Fin. Code §§ 14.208(b), 342.156.

¹⁰ Tex. Fin. Code §§ 14.208(b), 342.156.

¹¹ Tex. Fin. Code §§ 14.208(b), 342.156.

¹² Tex. Fin. Code §§ 14.208(b), 342.156.

All communications with the OCCC concerning this matter must be through Matthew Nance, Deputy General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, TX 78705, by telephone at 512-936-7660, or by email to matthew.nance@occc.texas.gov.

Signed this 8th day of December, 2022.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

CERTIFICATE OF SERVICE

I certify that on December 8, 2022, a true and correct copy of this Order of Revocation has been sent to Lend Street Financial, Inc. by the following:

Lend Street Financial, Inc. email
Attn: Shayne Smith, Compliance Officer eFileTexas.gov electronic service
610 16th Street, Suite 520 regular mail
Oakland, CA 94612 certified mail, return receipt requested
licensing@lendstreet.com # 9214 8901 9403 8300 0097 8703 94

Lend Street Financial, Inc. email
Attn: Incorp, Registered Agent eFileTexas.gov electronic service
815 Brazos Street, Ste. 500 regular mail
Austin, TX 78701 certified mail, return receipt requested
anthony.carl@incorp.com # 9214 8901 9403 8300 0097 8704 24

/s/ Matthew Nance
Matthew J. Nance
Deputy General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24074794
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