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STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT

TO: MERCHANT FACTORS CORP.  
1441 Broadway, 22<sup>nd</sup> Floor  
New York, New York 10018

DESIST AND REFRAIN ORDER  
(For violations of section 22100 of the Financial Code)

The Commissioner of Business Oversight (Commissioner) finds that:

1. On December 7, 2004, Merchant Factors Corp. first became licensed pursuant to the California Finance Lenders Law (CFLL) (CFLL License No. 603-A646) to engage in the business of a finance lender in this state from its office located at 700 Flower Street, Suite 1100, Los Angeles, California, 90017.
2. On May 1, 2007, the Commissioner issued an order summarily revoking the CFLL license of Merchant Factors Corp. for failure to file its annual report pursuant to Financial Code section 22159.
3. On or about September 9, 2014, Merchant Factors Corp. filed a Petition for Reinstatement of License pursuant to Government Code section 11522 (Petition).
4. Pursuant to an inquiry conducted in connection with the filing of the Petition, the Commissioner determined that subsequent to the revocation of its CFLL license, Merchant Factors Corp. continued to engage in the business of a finance lender in this state in violation of Financial Code section 22100.

Based on the foregoing findings, the Commissioner is of the opinion that Merchant Factors Corp. has engaged in the business of a finance lender in this state in violation of Financial Code section 22100.

Pursuant to Financial Code section 22712, Merchant Factors Corp. is hereby ordered to desist and refrain from engaging in the business of a finance lender in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

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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: June 8, 2015  
Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

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