

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

LENDIO, INC.,
Respondent.

Docket No. 13 E 003
KSC No. 2012 Z 0000001

Pursuant to K.S.A. 50-1008 and K.S.A. 50-1009

**SUMMARY ORDER DENYING
LOAN BROKER REGISTRATION OF LENDIO, INC.**

The above-entitled matter comes for consideration by the Securities Commissioner of Kansas. Pursuant to K.S.A. § 50-1009(a)(2)(A), staff for the Office of the Securities Commissioner has conducted an investigation to determine whether the Respondent failed to respond to a request for information deemed necessary to permit their application for registration under the Kansas Loan Broker Act, K.S.A. 50-1001 *et seq.* Having been apprised of the facts revealed in that investigation, the Commissioner finds as follows:

Findings of Fact

1. On November 21, 2011, the Office of the Kansas Securities Commissioner received Lendio, Inc.'s, ("Respondent") application for registration as a loan broker.
2. Respondent's last known address is [REDACTED].
3. On January 5, 2012, this office notified Respondent, via a deficiency letter, that additional information would be necessary to clarify several inconsistencies present in Respondent's application. The deficiencies noted included:

- a. A discrepancy concerning the cost of loan matching services provided. Specifically, whether loan matching services will cost \$99.00 per month, as stated in Respondent's application; or be free of charge, as stated in a November 7, 2011, blog post made on the company's website.
 - b. A discrepancy concerning the number of loan brokerage agreements Respondent had entered into in the past twelve months. Specifically, whether Lendio, Inc. had generated \$240 million in loan approvals with a 70-80% loan application approval rate, as stated in the blog; or whether Lendio, Inc. had entered into zero loan brokerage agreements in the last twelve months, as stated in the application.
 - c. An inconsistency in the amount of equity the company had raised; specifically, the application stated that the Respondent had raised approximately \$7 million in members' equity since December 21, 2010, but ended the first ten months of 2011 with total equity of only \$883,004.00.
4. Said notification was made through electronic mail sent to [REDACTED] and postal mail sent to [REDACTED], Director of Legal & Compliance, [REDACTED].
 5. To date, the information requested in the January 5, 2012 deficiency letter, has not been received by this office as required pursuant to K.S.A. § 50-1009(a)(13).
 6. On or about a July 31, 2012, a Notice of Intent to Deny Respondent's Loan Broker Registration was issued by Staff of the Office of the Kansas Securities Commissioner.
 7. To date, no response to the Notice of Intent to Deny Respondent's Loan Broker Registration has been received.

Conclusions of Law

1. Respondent has willfully and without cause failed to comply with a request for information by the administrator or person designated by the administrator, in violation of K.S.A. § 50-1009(a)(13).
2. Pursuant to K.S.A. § 50-1008(a)(3) the administrator may deny an application for registration when the registrant has violated any provision of this act.
3. Pursuant to K.S.A. § 50-1008(a)(4) the administrator may deny an application for registration when the registrant has filed with the commissioner any document or statement containing any false representation of a material fact or omitted to state a material fact.
4. Action is appropriate under K.S.A. § 50-1008(b) to deny Respondent's application for registration as a loan broker as sufficient evidence exists to conclude that the Respondent has filed with the commissioner a document or statement containing a false representation of a material fact or has omitted a material fact in violation of the Kansas Loan Broker Act.

Order

IT IS, THEREFORE, ORDERED by the Commissioner that the November 2011 Loan Broker Application of Lendio, Inc. be DENIED.

Opportunity for Hearing

Pursuant to K.S.A. 50-1008(b) the Commissioner may use summary proceedings to deny, suspend or revoke a registration of a loan broker before final determination of an administrative proceeding. If the Respondent wishes to contest the issuance of this order, then the Respondent must file a request for hearing. Pursuant to K.S.A. 77-542, the request for hearing must be filed with the Office of the Securities Commissioner, 109 SW 9th St., Suite 600, Topeka, KS 66612 within 15 days of service of the notice of this Summary Order of Denial of Registration.

If the allegations are properly disputed, the matter will be set for a hearing which shall be conducted in accordance with the provisions of the Kansas Administrative Procedures Act. If no hearing is requested and none is ordered by the Commissioner, the Order remains in effect until it is modified or vacated by the Commissioner.

The Office of the Securities Commissioner shall be represented in this matter by Courtney M. Hadley, Staff Attorney, Corporate Finance, 109 S.W. 9th St., Suite 600, Topeka, KS 66612, Telephone (785) 296-5017.

IT IS SO ORDERED BY THE COMMISSIONER this 24th day of September, 2012.



AARON JACK
Securities Commissioner

NOTICE:

This decision may constitute final agency action that is subject to judicial review. The agency officer to receive service of a petition for judicial review on behalf of the Office of the Kansas Securities Commissioner is Aaron Jack, Securities Commissioner, at 109 SW 9th St., Suite 600, Topeka, KS 66612.

Certificate of Service

I hereby certify that on this 24th day of September 2012, a copy of the above Summary Order Denying Loan Broker Registration of Lendio, Inc., KSC Case No. 2012Z0000001, Docket No. 13E003, was sent by certified mail, return receipt requested, and first class mail addressed to:

Lendio, Inc.
[REDACTED]
[REDACTED]

Lendio, Inc.
[REDACTED]
[REDACTED]

[REDACTED]
Michelle Lancaster
Legal Assistant