
*
IN THE MATTER OF: *
*
LENDBUZZ FUNDING LLC *
d/b/a LENDBUZZ *
NMLS # 1636296 *
*
(“Lendbuzz”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part III of Chapter 668, Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes, “Small Loan Lending and Related Activities,” as amended, and the regulations promulgated thereunder, Sections 36a-570-1 to 36a-570-17, inclusive, of the Regulations of Connecticut State Agencies, and Part II of Chapter 668, Sections 36a-535 to 36a-547, inclusive, of the Connecticut General Statutes, “Finance Companies”;

WHEREAS, Lendbuzz is a Delaware limited liability company with an office located at 100 Summer Street, Suite 1920, Boston, Massachusetts;

WHEREAS, Lendbuzz has never been licensed to engage in small loan activities in Connecticut, nor has it ever been licensed to engage in the business of a sales finance company in Connecticut;

WHEREAS, on February 29, 2024, Lendbuzz submitted an application for a small loan company license on the Nationwide Multistate Licensing System and Registry (“NMLS”), which application is currently pending;

WHEREAS, on May 22, 2024, Lendbuzz submitted an application for a sales finance company license on NMLS, which application is currently pending;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes, into the activities of Lendbuzz to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes and Regulations of Connecticut State Agencies within the jurisdiction of the Commissioner;

WHEREAS, as a result of such investigation, the Commissioner alleges that: (1) from May 2018 to the present, Lendbuzz engaged in small loan activities by making six small loans to Connecticut borrowers, and receiving payments of principal and interest in connection with such small loans made to Connecticut borrowers, without the required license, in violation of subdivisions (1) and (4) of Section 36a-556(a) of the Connecticut General Statutes, in effect at such time, respectively; and (2) from March 2017 to the present, Lendbuzz engaged in the business of a sales finance company in Connecticut without a license, by receiving payments of principal and interest from retail buyers under installment loan contracts, in violation of Section 36a-536 of the Connecticut General Statutes, in effect at such time;

WHEREAS, the Commissioner believes that such allegations would support initiation of enforcement proceedings against Lendbuzz, including, without limitation, proceedings to issue an order to make restitution against Lendbuzz pursuant to Sections 36a-543(d), 36-570(b) and 36a-50(c) of the Connecticut General Statutes, an order to cease and desist against Lendbuzz pursuant to Sections 36a-543(d), 36a-570(b) and 36a-52(a) of the Connecticut General Statutes, and an order imposing a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon Lendbuzz pursuant to Sections 36a-543(d), 36a-570(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes. Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, the Commissioner and Lendbuzz acknowledge the possible consequences of formal administrative proceedings, and Lendbuzz voluntarily agrees to consent to the entry of the sanctions

imposed below without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations contained herein;

WHEREAS, Lendbuzz acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

WHEREAS, the Commissioner and Lendbuzz now desire to resolve the matter set forth herein;

WHEREAS, Lendbuzz represents that it will limit collection on any outstanding transactions with Connecticut borrowers entered into while unlicensed as a small loan company to 12% APR of amounts of \$15,000 or less for loans made prior to October 1, 2023, and \$50,000 or less for loans made on or after October 1, 2023;

WHEREAS, Lendbuzz specifically assures the Commissioner that the violations alleged herein shall not occur in the future;

WHEREAS, Lendbuzz acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

WHEREAS, Lendbuzz herein represents to the Commissioner that it has reviewed and updated its internal policies, procedures and controls for ensuring compliance with small loan company licensure and sales finance company licensure requirements in Connecticut;

AND WHEREAS, Lendbuzz, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegations set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Lendbuzz, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Lendbuzz shall cease and desist from engaging in small loan activities without the required license, in violation of Section 36a-556(a) of the 2024 Supplement to the General Statutes, and

engaging in the business of a sales finance company in Connecticut without the required license, in violation of Section 36a-536 of the Connecticut General Statutes;

2. No later than the date this Consent Order is executed by Lendbuzz, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as a civil penalty;
3. No later than the date this Consent Order is executed by Lendbuzz, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Five Thousand Two Hundred Dollars (\$5,200) as payment for small loan company and sales finance company back licensing fees; and
4. No later than the date this Consent Order is executed by Lendbuzz, it shall reimburse the Connecticut borrowers identified in Exhibit A, attached hereto, in the amount identified, which represent amounts paid by such Connecticut borrowers in excess of an annual percentage rate of 12% while Lendbuzz was not licensed as a small loan lender in Connecticut. Lendbuzz shall provide evidence of such reimbursement to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut, 06103.1800, or Swarupa.Madhavan@ct.gov.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against Lendbuzz based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Lendbuzz based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Lendbuzz and reflected herein is subsequently discovered to be untrue;
3. Lendbuzz shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, Lendbuzz shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects Lendbuzz's (i) testimonial obligations, or (ii) right to take any legal or factual position that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Lendbuzz and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Lendbuzz to apply for or obtain initial licenses or renewal licenses under Part III of Chapter 668, Sections 36a-555 *et seq.*, of the Connecticut General

Statutes and Part II of Chapter 668, Sections 36a-535 *et seq.*, of the Connecticut General Statutes, provided that all applicable legal requirements for any such licenses are satisfied and the terms of this Consent Order are being followed;

5. This Consent Order shall be binding upon Lendbuzz and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 6th day of December 2024.

/s/

Jorge L. Perez
Banking Commissioner

I, John P. McGaffigan, state on behalf of Lendbuzz Funding LLC d/b/a Lendbuzz that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Lendbuzz Funding LLC d/b/a Lendbuzz; that Lendbuzz Funding LLC d/b/a Lendbuzz agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Lendbuzz Funding LLC d/b/a Lendbuzz voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: John P. McGaffigan
Title: CCO and Associate GC
Lendbuzz Funding LLC d/b/a Lendbuzz

State of: Massachusetts

County of: Suffolk

On this the 6th day of December 2024, before me, Savannah Shepherd, the undersigned officer, personally appeared John P. McGaffigan, who acknowledged himself/herself to be the CCO, Associate GC of Lendbuzz Funding LLC d/b/a Lendbuzz, a member managed/manager managed limited liability company, and that he/she as such CCO, Associate GC, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as CCO, Associate GC.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: 05/18/29