

State of Missouri
Office of Secretary of State

Case No. AP-12-02

IN THE MATTER OF:

LENDINGCLUB CORPORATION,

Respondent.

Serve LendingClub Corporation at:
71 Stevenson Street, Suite 300
San Francisco, California 94105

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Enforcement Section") has alleged that LendingClub Corporation ("LendingClub" or "Respondent") offered and sold unregistered, nonexempt securities, and that this constitutes grounds for the Missouri Commissioner of Securities ("Commissioner") to issue an order denying the effectiveness to, suspending or revoking effectiveness of Respondent's registration statement pursuant to Section 409.3-306, RSMo. (Cum. Supp. 2011).
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent's alleged failure to comply with the Missouri Securities Act.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2011), which provides:

"The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act."

WAIVER AND EXCEPTION

5. Respondent waives its right to a hearing with respect to this matter.
6. Respondent waives any right that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consent to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT,

CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. LendingClub is a Delaware corporation with a business address of 71 Stevenson Street, Suite 300, San Francisco, California 94105.
13. LendingClub is an Internet-based social lending platform that sells Member Payment Dependent Notes (the "Notes") to fund loans made to borrowers pursuant to a public offering.
14. LendingClub filed a registration statement for its Notes in Missouri on June 25, 2008
15. On October, 10, 2008, LendingClub's registration statement was declared effective by the Commissioner. This registration statement had an expiration date one year from the effective date.
16. On or before October 10, 2009, LendingClub filed a renewal of its registration statement and extended the effectiveness of this registration statement in Missouri until October 10, 2010.
17. In 2010, LendingClub failed to timely file a renewal of its registration statement in Missouri and the registration statement ceased to be effective after October 10, 2010.
18. After October 10, 2010, LendingClub offered and sold at least nine thousand (9,000) unregistered, nonexempt Notes in the total amount of four hundred sixty-one thousand and sixty dollars (\$461,060) to at least one hundred seventy-five (175) Missouri residents.

II. CONCLUSIONS OF LAW

19. The Commissioner finds LendingClub offered and sold unregistered, nonexempt securities in violation of Section 409.3-301, RSMo. (Cum. Supp. 2011) and that this constitutes grounds to deny, suspend, or revoke LendingClub's securities registration pursuant to Section 409.3-306, RSMo. (Cum. Supp. 2011).
20. The Commissioner, after consideration of the stipulations set forth above and on the consent of LendingClub and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over LendingClub and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo. (Cum. Supp. 2011).

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. LendingClub is enjoined and restrained from offering and selling its securities in Missouri unless such securities are properly registered in Missouri.
2. LendingClub shall send within thirty days (30) days of the effective date of this Consent Order to each Missouri investor whose original purchase of Notes occurred after October 10, 2010, a copy of this Consent Order and a rescission offer, not unacceptable to the Commissioner ("Rescission Letter"). A copy of this Consent Order and this Rescission Letter shall be sent to the investor's LendingClub account expressly designated for receipt of all notices and documents from LendingClub. If the delivery of these documents to the investor's LendingClub account fails, LendingClub shall send a hard copy of this Consent Order and the Rescission letter to the affected investors by certified mail to the address in the records of LendingClub. Each Rescission Letter will offer to repurchase the Missouri investor's securities, payable on delivery of the security, equal to the consideration paid, and interest at the rate of eight percent (8%) per year from the date of the purchase, less the amount of any payments received on the security. The investor will be given thirty (30) days after receipt of the Rescission Letter to accept the offer of rescission. A copy of this Rescission Letter will be sent to the Securities Division for review within fifteen (15) days of the effective date of this order. The Rescission Letter shall be in substantial conformity to the Suggested Form of Offer of Refund (Rescission) contained at 15 CSR 30-52.260.
3. LendingClub shall file documentation with the Enforcement Section evidencing the names of the investors who were sent a Rescission Letter, the names of the investors who agreed to accept the rescission offer, the names of the investors who did not accept the rescission offer, the amount of principal and interest paid to each investor who accepted the offer, and the date each payment was sent to the investors who elected to accept the rescission offer. This documentation shall be filed with the Enforcement Section within thirty (30) days of the payment and shall be in the form of an affidavit, with all supporting documents attached thereto.
4. LendingClub shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of one hundred thousand dollars (\$100,000). This amount shall be sent to the Securities Division at 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102 in three installments as follows: thirty-three thousand dollars (\$33,000) shall be payable within ten (10) days of the effective date of this Consent Order; thirty-three thousand dollars (\$33,000) shall be payable within thirty (30) days of the effective date of this Consent Order; and thirty-four thousand dollars (\$34,000) shall be payable within sixty

(60) days of the effective date of this Consent Order. If Respondent misses any payment, the full amount remaining shall be immediately due and payable.

5. LendingClub shall pay five thousand dollars (\$5,000) as the cost of this investigation. This amount shall be sent within ten (10) days of the effective date of this Consent Order to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101 and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.
6. LendingClub shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 11TH DAY OF APRIL, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

Mary S. Hosmer
Assistant Commissioner of Securities

LendingClub Corporation

Approved as to Form:

William M. Schutte
Attorney for Respondent