

The Senate Has Choice: Side With Consumers Or Stand With Wealthy World Business Lenders Inc. And Its Millionaire Owners While They Prey On Vulnerable Small Businesses Across The Country

SUMMARY: The U.S. Senate is currently [considering](#) a Congressional Review Act (CRA) resolution to strike down the Trump administration's controversial "true lender" rule that allows predatory lenders to evade state interest rate caps and usury laws through "rent-a-bank" arrangements. The rule, [finalized](#) by the Trump Office of the Comptroller of the Currency (OCC) in late October 2020, lets lenders claim that traditional banks they partner with—which generally operate in states without usury bans and are themselves generally [exempt](#) from state caps—are the "true lender" of the loans they issue. Dozens of consumer advocates and community organizations spoke out in [strong opposition](#) to the Trump OCC rule and several state attorneys general have [sued](#) to invalidate it, claiming the rulemaking process violated the Administrative Procedure Act and facilitated the evasion of state laws.

One particularly bad actor that stands to benefit from preserving the Trump-OCC rule is **World Business Lenders (WBL)**, which issues loans with interest rates of up to [268%](#), relies on "[hard-line collection practices](#)" like seizing borrowers' personal property, and which profits from exorbitant [prepayment penalties](#). In addition to its aggressive lending practices, WBL has faced several scandals over hiring fraudsters tied to [Wall Street "con man" Jordan Belfort](#) and for [firing 100 minority workers](#) after taking \$16.8 million in economic development funds tied to those hires.

In one especially [egregious case](#), WBL was sued by an Atlanta small business owner who took a rent-a-bank loan from the firm and saw his debt triple via the 88% interest rate. The borrower ultimately lost his house to WBL in an auction on the courthouse steps. Several other small business owners have seen their livelihoods and even their homes [threatened](#) after taking WBL loans. As WBL allegedly put "[hundreds](#)" of other Americans in similar positions, it outrageously took a [\\$2.19 million Paycheck Protection Program loan](#) meant for struggling small business and [not meant](#) to be taken by lenders or other financial institutions.

Yet, despite WBL's checkered reputation, the Trump OCC came to the firm's direct defense when it filed a [2019 amicus brief](#) (co-led by the agency's [resident industry ally](#)) to defend WBL's rent-a-bank scheme when it violated Colorado's interest rate cap. The Trump OCC even relied on "[the same arguments](#)" to defend WBL's business model it would later use to justify its rent-a-bank rule.

As the predatory lending industry has [redoubled](#) its efforts to further victimize those hurt most during the COVID-19 pandemic, WBL Founder and CEO Doug Naitus has enjoyed an opulent lifestyle. He lives in a [\\$2.25 million home](#) with a spa, [belonged](#) to a Hamptons golf club with a reported [\\$1 million initiation fee](#), and previously paid [\\$6.2 million](#) for a massive Manhattan apartment. Congress has the opportunity to keep these bad actors in check by undoing the Trump rent-a-bank rule and taking the first step towards shutting down these predatory loan sharks.

In October 2020, The Trump Office Of The Comptroller Of The Currency (OCC) Issued A Final Rule Which Opened The Floodgates For Predatory Non-Bank Lenders To Get Around State Interest Rates By Partnering With National Banks Who Are The "True Lenders" Of A Loan—Since Banks Are "Generally Exempt From State Rate Caps," Loans That Would Otherwise Be Illegal For Non-Banks Are Not Permitted.

In October 2020, The Trump OCC Issued Its Final "True Lender" Rule, Which Determined A Bank Is The "True Lender" Of A Loan If It's "Named As The Lender In The Loan Agreement" Or "Funds The Loan" At The Time Of Origination.

July 20, 2020: The Trump OCC Proposed A Rule Determining "When A National Bank Or Federal Savings Association (Bank) Makes A Loan And Is The 'True Lender' In The Context Of A Partnership Between A Bank And A Third Party" With The Bank Being Designated The "True Lender" If, At The Time Of Origination, Its "Named As The Lender In The Loan Agreement" Or "Funds The Loan." "The Office of the Comptroller of the Currency (OCC) today proposed a rule that would determine when a national bank or federal savings association (bank) makes a loan and is the 'true lender' in the context of a partnership between a bank and a third party. Banks' lending relationships with third parties can facilitate access to affordable credit. However, the relationships have been subject to increasing uncertainty about the legal framework that applies to loans made as part of these relationships. [...] The proposed rule would resolve this uncertainty by specifying that a bank makes a loan and is the 'true lender' if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan." [Office of the Comptroller of the Currency, [07/20/20](#)]

October 27, 2020: The Trump OCC Issued Its Final Rule Which Determined A Bank Is The "True Lender" Of A Loan If It's "Named As The Lender In The Loan Agreement" Or "Funds The Loan" At The Time Of Origination. "The Office of the Comptroller of the Currency (OCC) today issued a rule that determines when a national bank or federal savings association (bank) makes a loan and is the 'true lender,' including in the context of a partnership between a bank and a third party. [...] After carefully considering the comments, the OCC is adopting a final rule to resolve this uncertainty. The rule specifies that a bank makes a loan and is the true lender if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan." [Office of the Comptroller of the Currency, [10/27/20](#)]

The Trump OCC's Final Rule Also Clarified That "As The True Lender Of A Loan, The Bank Retains The Compliance Obligations Associated With The Origination Of That Loan," Allowing Banks, Which Are "Generally Exempt From State Rate Caps" To Originate Loans For Non-Bank Lenders That Would Otherwise Be Illegal.

The OCC's Final True Lender Rule Also Clarified That "As The True Lender Of A Loan, The Bank Retains The Compliance Obligations Associated With The Origination Of That Loan." "The rule also clarifies that as the true lender of a loan, the bank retains the compliance obligations associated with the origination of that loan, thus negating concern regarding harmful rent-a-charter arrangements." [Office of the Comptroller of the Currency, [10/27/20](#)]

As Banks Are "Generally Exempt From State Rate Caps," The OCC's Final Rule Allows Non-Banks To Maintain The Interest Rates That Are Only Allowed By Banks. "These rules allow banks, which are generally exempt from state rate caps, to sell, assign, or transfer a loan to non-bank lenders and deem that the interest rates permissible by the bank remain permissible after the transfer. High-cost lenders take advantage of this exemption by entering into rent-a-bank schemes where they launder loans through banks to be able to charge exorbitant interest rates, well above state usury rates." [Consumer Federation of America, [06/25/20](#)]

In Early January 2021, AGs From Seven States And D.C. Sued The Trump Administration To Invalidate The "True Lender Rule," Which They Argued Was Made In Violation Of The Administrative Procedures Act And Facilitated The Circumvention Of State Interest Rate Caps.

In Early January 2021, AGs From Seven States And D.C. Sued The Trump OCC Over Its "True Lender Rule," Which The AGs Stated Facilitated The Circumvention Of State Interest Rate Caps.

January 5, 2021: State Attorneys General From Seven States And The District Of Columbia Filed A Lawsuit Against The Trump OCC's "True Lender Rule," Alleging It "Facilitates Predatory Lending" By Letting Non-Bank Lenders Partner With National Banks In Order To "Evade State Limits On Loan Interest Rates." "California Attorney General Xavier Becerra today joined a multistate lawsuit against the Office of the Comptroller of the Currency (OCC) challenging its 'True Lender Rule.' The OCC's rule facilitates predatory lending by allowing payday lenders, auto-title lenders and other non-bank entities to evade state limits on loan interest rates through sham 'rent-a-bank' arrangements with national banks." [Office of the California Attorney General, [01/05/21](#)]

- "In Filing The Lawsuit, Attorney General Becerra Joins The Attorneys General Of New York, Colorado, Massachusetts, Minnesota, New Jersey, North Carolina, And The District Of Columbia." [Office of the California Attorney General, [01/05/21](#)]

In Announcing This Action, The California Attorney General's Office Specifically Noted These "Rent-A-Bank Schemes" Enable Non-Bank Lenders To Circumvent California's "36 Percent [Interest Rate Cap] On Consumer Loans Under \$10,000." "California limits interest rates to 36 percent on consumer loans under \$10,000. To circumvent California law, the predatory non-bank lenders 'partner' with national banks that are shielded from state rate caps. The OCC's True Lender Rule enables rent-a-bank schemes that often hike interest rates on borrowers to 100 percent or higher." [Office of the California Attorney General, [01/05/21](#)]

Attorney General Xavier Becerra: "The OCC Wants To Permit Unscrupulous Lenders To Pile Debt On People Who Are Often Already Struggling Financially, Forcing Borrowers Into A Debt Spiral They Can't Work Their Way Out Of. We're Taking The OCC To Court To Stop The Exploitation Of Struggling Californians." [Office of the California Attorney General, [01/05/21](#)]

The AG's Argued The OCC's "True Lender Rule" Should Be Ruled Invalid Due To Various Violations Of The Administrative Procedures Act And The Agency "Fail[ing] To Consider The Harm To Consumers This Rule Would Create."

In Their Lawsuit, The AGs Argued The OCC's "True Lender Rule" Was Illegal Due To The Agency, Amongst Other Things, "Fail[ing] To Consider The Harm To Consumers This Rule Would Create" And "Abandon[ing] Its Longstanding Policy Of Preventing Rent-A-Bank Arrangements Without Explaining The Reason For The Policy Reversal." "In their lawsuit, the attorneys general argue the OCC's True Lender Rule is illegal because: [...] The OCC's standard for determining the 'true lender' of a loan makes little sense as loans can be funded by one entity while another is named as the lender in loan documents; [...] The OCC has failed to consider the harm to consumers this rule would create; [...] The OCC has failed to set forth any factual findings or reasoned analysis to support its rule; [...] The OCC has violated the federal Dodd-Frank Act, which outlines multiple actions the OCC must take before issuing rules that preempt state consumer financial laws; and [...] The OCC has abandoned its longstanding policy of preventing rent-a-bank arrangements without explaining the reason for the policy reversal." [Office of the California Attorney General, [01/05/21](#)]

The AGs Sought A Court Judgement Declaring The OCC's "True Lender Rule" In Violation Of The Administrative Procedures Act And Therefore Unlawful And Invalid. [NY AG Letitia James et. Al. v. OCC, [Case 1:21-cv-00057](#)]

Prayer for Relief

WHEREFORE, the States respectfully request that the Court enter a judgment in their favor and grant the following relief:

- a) declare that the OCC violated the APA because its True Lender Rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
- b) declare that the OCC violated the APA because its True Lender Rule is in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;
- c) declare that the OCC violated the APA because its True Lender Rule constitutes agency action taken without procedure required by law;
- d) hold unlawful and set aside the True Lender Rule;
- e) award Plaintiffs their reasonable fees, costs, and expenses, including attorneys' fees, pursuant to 28 U.S.C. § 2412; and
- f) grant such other relief as the Court deems just and proper.

Dated: New York, New York
January 5, 2021

[NY AG Letitia James et. Al. v. OCC, [Case 1:21-cv-00057](#)]

One Consumer Advocate Coalition Characterized the OCC's True Lender Rule As "Invit[ing] An Onslaught Of Predatory Installment Lending Into California," A State That Enacted Its Own Interest Cap.

In 2019, A Coalition Of Over 60 "Consumer, Civil Rights, And Community Organizations" Sent A Letter To The OCC's Head Urging He Stop Non-Bank Lenders From Using "Rent-A-Bank Schemes" To "Evade" A New Interest Rate Cap That Had Been Enacted In California.

November 7, 2019: A Coalition Of Over 60 "Consumer, Civil Rights, And Community Organizations" Sent A Letter To Then-Comptroller Of The Currency Joseph Otting Urging The OCC To Stop Non-Bank Lenders From Partnering With National Banks In "Rent-A-Bank Schemes" Meant To "Evade [California's] New Interest Rate Cap." "We, the undersigned consumer, civil rights, and community organizations, write with urgency to express our deep concern about predatory lenders' plans to expand high-cost rent-a-bank arrangements with the purpose of evading state interest rate caps – in particular the new California interest rate cap signed into law on October 11, effective January 1, 2020. At least three large lenders, which currently charge from 135% to 199% APR on high-cost installment loans that will be illegal under the new law, have already indicated their plans to start or expand rent-a-bank arrangements into California, with the clear intent to evade the new interest rate cap. One of these lenders has said it is in discussions with OCC-supervised MetaBank. We urge the agency to stop national banks from engaging in these shams before they start." [Letter from the National Consumer Law Center et. Al. to Comptroller of the Currency Joseph Otting, [11/07/19](#)]

A Congressional Review Act (CRA) Resolution Has Been Introduced In The Senate To Strike Down The Trump True Lender Rule, With Likely Support Among House Democrats And The Biden White House—If Passed By Mid-May 2021, It Would Be As If The Trump Rule “Had Never Taken Effect” And Legal Standards For Lenders Would Revert To Court Precedents.

March 2021: Sen. Chris Van Hollen (D-MD) Introduced A Congressional Review Act (CRA) Resolution To Strike Down The True Lender Rule, With Signals That The Measure Had Support In The House And That Biden Would Sign It Into Law.

March 26, 2021: Sen. Chris Van Hollen (D-MD) Introduced A Congressional Review Act (CRA) Resolution To Invalidate The OCC’s True Lender Rule. “Senator Chris Van Hollen (D-MD) introduced a Congressional Review Act (CRA) resolution of disapproval on March 26 that would invalidate the Office of the Comptroller of the Currency’s (OCC’s) true lender final rule.” [JDSupra, [03/31/21](#)]

- **The CRA Resolution Was Co-Sponsored By Senate Banking Chair Sherrod Brown (D-OH), As Well As Sens. Reed (D-RI), Warren (D-MA), Cortez-Masto (D-NV), Smith, (D-MN), And Feinstein (D-CA).** “The resolution is co-sponsored by Senate Banking Committee Chair Sherrod Brown (D-OH) and Senators Jack Reed (D-RI), Elizabeth Warren (D-MA), Catherine Cortez-Masto (NV), Tina Smith (D-MN), and Dianne Feinstein (D-CA).” [JDSupra, [03/31/21](#)]

With The Backing Of Senior Senate Banking Committee Members, It Was Expected That President Biden Would Sign The CRA Resolution Into Law. “While the White House has not yet announced its position on the resolution, the support of senior leaders on the Senate Banking Committee suggests that President Joseph Biden may be likely to sign the resolution into law.” [JDSupra, [03/31/21](#)]

Rep. Chuy Garcia (D-IL) Also Joined The Introduction Of The CRA Resolution, Which Signaled Support Among House Democrats. “Representative Chuy Garcia (D-IL), who serves on the House of Representatives Committee on Financial Services, participated in the introduction of the resolution, which appears to indicate support for the resolution by House Democrats.” [JDSupra, [03/31/21](#)]

CRA Resolutions Usually Undergo Expedited Consideration In The Senate, Requiring Only A Simple Majority. “CRA resolutions generally are subject to rules for expedited consideration in the Senate, which means that they require only a simple majority vote in the Senate to advance because CRA disapproval resolutions are specially-privileged joint resolutions not subject to filibuster or other normal blocking procedures in the Senate. However, unless at least one Republican senator joins the Democratic majority, a unanimous affirmative vote of the Democratic senators will be required (assuming that Vice-President Kamala Harris would be the tie-breaking vote in favor of the CRA).” [JDSupra, [03/31/21](#)]

If The CRA Resolution Passes By Mid-May 2021, It Will Be As Though The Trump True Lender Rule “Had Never Taken Effect”—However, Legal Standards Would Revert To “Divergent” Court Precedents And The OCC Would Be Limited In Issuing A Similar New Rule.

The Deadline For The CRA Resolution To Successfully Invalidate The True Lender Rule Is Mid-May 2021. “The statutory deadline for Congress to act on the resolution of disapproval would, based on Congress’s current legislative schedule, fall in approximately mid-May.” [JDSupra, [03/31/21](#)]

Rules Invalidated By The CRA Are “Treated As If The Rule Had Never Taken Effect,” And If Struck Down, “True Lender” Legal Standards Would Revert To Various And “Divergent” Court Precedents. “Any rule invalidated under the CRA is treated as if the rule had never taken effect. Thus, a CRA invalidation of

the true lender rule would revert the law governing when a bank is acting as the 'true lender' to the various pre-rule, court-created standards, many of which were divergent and sometimes inconsistent." [JDSupra, [03/31/21](#)]

If The CRA Resolution Is Successful, The OCC Would Be Limited In Issuing A New Similar Rule. "A successful CRA invalidation of the true lender rule could substantially impact the OCC's authority to address the true lender issue in the future because the CRA prohibits an agency from reissuing any rule previously invalidated under the CRA in 'substantially the same form.' While the courts have yet to adjudicate the scope of the 'substantially the same form' prohibition, the standard would, at the very least, prohibit the OCC from reissuing the true lender rule in the same form or with mere cosmetic changes." [JDSupra, [03/31/21](#)]

If The CRA Resolution Fails, The OCC Could Still Repeal Or Change The True Lender Rule Through The Slower Administrative Process.

Even If The CRA Resolution Were To Fail, The OCC Could Still Repeal Or Alter The True Lender Rule Through The Administrative Process. "If Congress does not pass the resolution by the statutory deadline, the new (and not yet announced) Comptroller of the Currency could still seek to repeal or modify the rule in the future through the administrative process." [JDSupra, [03/31/21](#)]

The OCC Oversees A Bank Partner For World Business Lenders (WBL)—Which Uses "Hard-Line Collection Practices," Has Seized Borrowers' Homes, And Squeezes Debtors With Prepayment Penalties—Relies On A Rent-A-Bank Scheme To Avoid State Interest Caps.

World Business Lenders—Which Issues Loans With Interest Rates Up To 268%—Uses Its Bank Partnership To Circumvent State Interest Rate Caps While Also Using "Hard-Line Collection Practices" For Borrowers Behind On Their Payments, Including Seizing Merchants' Homes And Properties And Prepayment Penalties That Can Increase Loan Costs By 30%.

Through Its Partnership With Nevada's Axos Bank, World Business Lenders Offers Business Loans With Interest Rates Of Up To 268%, Far Exceeding The Interest Rates Allowed In New York And Other States.

Through Its Bank Partnership With Nevada's Axos Bank, World Bank Lenders Offers Interest Rates Exceeding The Interest Rate Allowed In New York And Other States. "Many states, New York included, bar interest rates like those. But high-cost lenders can circumvent such limits, known as usury caps, through what are known as rent-a-bank schemes. And under the Trump administration, critics say, the schemes have gotten a boost from two rules approved this year by the top federal banking regulator, the Office of the Comptroller of the Currency, or OCC. [...] Among the high-cost lenders benefiting from the rules is World Business Lenders, an online entity founded in 2011 and based in Jersey City, New Jersey. It teams up with Axos Bank of Nevada, a state with no interest rate limits, to make high-cost loans, documents show." [NBC News, [12/08/20](#)]

World Business Lenders Loans Can "Have An Effective Annual Interest Rate Of 268 Percent." "Because of a lengthy renovation and lower revenues during the coronavirus pandemic, the couple are behind on two loans arranged by World Business Lenders. The loans, totaling \$67,000, have an effective annual interest rate of 268 percent, court filings show." [NBC News, [12/08/20](#)]

World Business Lenders Is Also Known For The Its "Hard-Line Collection Practices," Including The Seizure Of "Merchants' Homes And Other Properties" And Prepayment Penalties That Can Add 30% To The Amount Owed On A Loan.

World Business Lenders Is "Known For Hard-Line Collection Practices When Borrowers Fall Behind," Including The Seizure Of "Merchants' Homes And Other Properties" As Well As "Costly Penalties During Foreclosures." "Now that goal is threatened — not only by Covid-19-related shutdowns, but also by their lender, a New Jersey-based company called World Business Lenders. The company, which makes high-cost small-business loans, is known for hard-line collection practices when borrowers fall behind, court records show. For example, it seizes merchants' homes and other properties backing the loans and adds costly penalties during foreclosures." [NBC News, [12/08/20](#)]

World Business Lenders Makes Use Of "Prepayment Penal[ties]" That Can Add 30% To The Amount Owed On A Loan. "Markisha is also facing foreclosure proceedings by World Business Lenders on a property backing the loans that she owns in Paterson, New Jersey. The proceedings also triggered a so-called prepayment penalty, adding another 30 percent of the Swepsons' loans to the amount they owe, documents show. A loan broker introduced them to World Business Lenders, Markisha said." [NBC News, [12/08/20](#)]

WBL's Partner Axos Bank Is Regulated By The OCC—A Court Filing Has Shown That WBL's Loan Documents "All Attempt To Position" Axos As The True Lender For Its Loans.

Axos Bank, Which Is Regulated By The OCC, Is A WBL Bank Partner. "Yet the Rent-Rite case is not an aberration. WBL's current partner-in-crime is OCC-supervised Axos Bank, which is involved in equally ugly cases." [Morning Consult, [02/10/20](#)]

- **The OCC Was Still Axos Bank's Regulator, As Of April 19, 2021.** [Federal Financial Institutions Examination Council, accessed [04/19/21](#)]

A September 2019 Court Filing Stated That World Business Lender Loan Forms "All Attempt To Position" Axos Bank, Which Is Based In A State With No Usury Laws, As The True Lender.

"Transactions of this structure have been a proprietary product of World Business Lenders, LLC ('WBL') – an alternative finance company that provides short term high interest loans backed by personal guarantees and real estate collateral – since its inception. All the forms used for this transaction are demonstrably WBL forms. Nonetheless, the transaction documents all attempt to position BOFI (now Axos) as the lender. Axos is a federal bank organized under the laws of Nevada – a state that has no usury laws." [Plaintiffs' Opposition to Motion to Dismiss, Case 1:19-cv-11364-WGY, [09/13/19](#)]

Even Though The Trump OCC Oversaw WBL's Partner Bank, It Co-Wrote An Amicus Brief To Specifically Defend WBL's Rent-A-Bank Scheme In 2019, And Used The "Same Arguments" It Later Relied On For Its True Lender Rule.

Before The Trump OCC Issued Its "True Lender" Rule, The Agency Co-Wrote An Amicus Brief Defending World Business Lenders' Rent-A-Bank Arrangement To Evade Colorado's Interest Rate Cap—The Brief Was Seen As "Direct Support For A Predatory Lender."

September 2019: The Office Of The Comptroller Of The Currency (OCC) And Federal Deposit Insurance Corporation (FDIC) Filed An Amicus Brief In Support Of World Business Lenders, Defending Its Ability

To Charge A 120% Interest Rate In Colorado—In Violation Of The State’s Rate Cap—Through A Partnership With A Wisconsin-Based Bank. “Small businesses may become besieged by a new wave of predatory ‘rent-a-bank’ lending as a result of a new rule proposed by the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency. [...] The FDIC and OCC’s joint amicus brief supporting World Business Lenders (WBL) in *Rent-Rite Super Kegs v. World Business Lenders* proves they are actively supporting predatory lenders. The agencies defend WBL’s ability to charge 120% APR on a \$550,000 loan, in violation of Colorado’s interest rate limits, because the loan technically came from FDIC-supervised Bank of Lake Mills in Wisconsin, which then sold the loan back to WBL. Not one word of the briefs in support of WBL expresses concern about the ridiculously predatory interest rate or raised the question of whether the bank was the true lender.” [Morning Consult, [02/10/20](#)]

- **The Amicus Brief Was Filed On September 10, 2019.** [Amicus Brief of FDIC and OCC, Civil Action No. 1:19-cv-01552-REB, [09/10/19](#)]
- **The Trump OCC Proposed Its “True Lender” Rule In July 2020.** “The Office of the Comptroller of the Currency (OCC) today proposed a rule that would determine when a national bank or federal savings association (bank) makes a loan and is the ‘true lender’ in the context of a partnership between a bank and a third party. [...] The proposed rule would resolve this uncertainty by specifying that a bank makes a loan and is the ‘true lender’ if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan.” [Office of the Comptroller of the Currency, [07/20/20](#)]
- **The Trump OCC Issued Its Final “True Lender” Rule In October 2020.** “The Office of the Comptroller of the Currency (OCC) today issued a rule that determines when a national bank or federal savings association (bank) makes a loan and is the ‘true lender,’ including in the context of a partnership between a bank and a third party. [...] After carefully considering the comments, the OCC is adopting a final rule to resolve this uncertainty. The rule specifies that a bank makes a loan and is the true lender if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan.” [Office of the Comptroller of the Currency, [10/27/20](#)]

The OCC’s Brief Was Seen As “Direct Support For A Predatory Lender That Targets The Owners Of Small Businesses And Jeopardizes Their Homes.” “The OCC and FDIC’s direct support for a predatory lender that targets the owners of small businesses and jeopardizes their homes shows that these are not just ‘Chicken Little’ claims.” [Morning Consult, [02/10/20](#)]

In The Brief, The Trump OCC Relied On “The Same Arguments” It Would Use To Justify The “True Lender” Rule.

The Trump OCC And FDIC’s Amicus Brief Used “The Same Arguments” That They Would Use In The “True Lender” Rule. “The OCC and FDIC have now proposed a rule that would allow nonbank lenders like WBL to charge the same unlimited rates that a bank could if a bank originates a loan and then sells it to a state-regulated lender. The agencies justify the proposal using the same arguments that they used to defend WBL’s 120% APR in the Rent-Rite case.” [Morning Consult, [02/10/20](#)]

The Trump OCC’s Brief—Which Claimed The Agency Had An Interest In The Case Due To Its “Unique Expertise” In The Matter—Was Led By The Agency’s “No. 2” Official Jonathan Gould, Who Was Counsel For Two Industry-Friendly Senate Banking Chairmen And Provided Regulatory Counsel For Blackrock And Another Financial Advisory Firm.

The OCC Stated It Had An Interest In The Case As A Federal Banking Regulator “Charged By Congress With Ensuring The Safety And Soundness Of State And National Banks” And As A Regulator With “Unique Expertise And Perspectives That Warrant The Court’s Attention.” “INTEREST OF THE AMICI [...] Under Rule 8017(a)(2), the FDIC and OCC, as agencies of the United States, ‘may file an amicus brief

without the consent of the parties or leave of court.’ As federal banking regulators charged by Congress with ensuring the safety and soundness of state and national banks and with maintaining financial stability in the banking system, the FDIC and OCC have unique expertise and perspectives that warrant the Court’s attention.” [Amicus Brief of FDIC and OCC, Civil Action No. 1:19-cv-01552-REB, [09/10/19](#)]

Jonathan V. Gould, Appointed As OCC Senior Deputy Comptroller And Chief Counsel During The Trump Administration, Was The OCC’s Lead Signer On The Brief.

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- **Jonathan Gould, Appointed As Senior Deputy Comptroller And Chief Counsel In December 2018, Was Previously A Senior Counsel For The U.S. Senate Banking Committee And Provided Regulatory Counsel For BlackRock And Promontory Financial Group.** “In this capacity, Mr. Gould oversees all of the agency’s legal and licensing activities, including legal advisory services to banks and examiners, enforcement, litigation, agency administrative matters, legislative initiatives, the chartering of new banks, and changes in structure and activities of existing banks. He serves on the OCC’s Executive Committee and provides advice and counsel to the Comptroller of the Currency and senior OCC executives. He assumed this role in December 2018. Prior to joining the OCC, Mr. Gould served as Chief Counsel of the U.S. Senate Committee on Banking, Housing, and Urban Affairs. He previously worked in the private sector at BlackRock and Promontory Financial Group, including serving as Promontory’s Deputy General Counsel. In these roles, Mr. Gould provided financial services regulatory and policy expertise and counsel regarding domestic and international regulatory requirements, law, and reforms.” [Office of the Comptroller of the Currency, accessed [04/29/21](#)]



Director

BlackRock

Sep 2014 – Feb 2018 · 3 yrs 6 mos

Developed modeling solutions and market analytics to support financial services firms’ regulatory requirements, balance sheet management and business strategy
Provided financial services regulatory and policy expertise



Director

Promontory Financial Group, LLC

Mar 2008 – Sep 2014 · 6 yrs 7 mos

Advised clients on bank regulatory issues and U.S. and international regulatory reforms affecting financial institutions
Served as deputy general counsel from 2008-2011

[Linkedin Profile for Jonathan Gould, accessed [04/19/21](#)]

Trump OCC Head Joseph Otting Praised Gould's "Impressive Relationship-Building Experience Throughout Washington And The Banking Industry" When He Named Gould To The Agency's "No.2 Position." "A top Senate Banking staffer has been named to the No. 2 position at the Office of the Comptroller of the Currency. [...] Jonathan's extensive background in banking law and regulation, together with his impressive relationship-building experience throughout Washington and the banking industry, bring tremendous value to the OCC and its efforts to promote the agency's important mission, policies, and programs,' Comptroller Joseph Otting said in a press release. 'We are pleased to add someone of Jonathan's caliber to our agency and our executive team.'" [American Banker, [12/26/18](#)]

Gould Was Chief Counsel Under Senate Banking Chair Mike Crapo, A Financial Industry Ally. "Banking Committee— In addition to serving on the Senate Finance Committee, Senator Crapo is a current member and former Chairman (115th and 116th Congresses) and Ranking Member (113th Congress) of the Senate Committee on Banking, Housing and Urban Affairs, which has jurisdiction over efforts to promote the stability of the financial system and responsible lending to families and businesses." [Sen. Mike Crapo, accessed [04/19/21](#)]

- **While Senate Banking Chair, Crapo Sponsored A Major Bill To Undo Dodd-Frank Post-Crisis Financial Regulations.** "The Senate passed on Wednesday legislation sponsored by Senate Banking Committee Chair Mike Crapo (R-ID) that would rewrite parts of the 2010 Dodd-Frank Act, the landmark financial regulation overhaul enacted in response to the 2008 financial crisis. The bill cleared the Senate with ease, 67 to 31, earning support from 16 Democrats and Sen. Angus King (I-ME) in addition to 50 Republicans. The Senate bill would adjust the size at which banks are subject to certain regulatory scrutiny and exempt small banks from some requirements for loans, mortgages, and trading, among other measures." [Vox, [03/14/18](#)]

Gould Was Counsel To Then-Senate Banking Chairman Sen. Richard Shelby, Who Was A "Reliable Voice" In Support Of The Industry. "He also served as counsel to the Senate Banking Committee under then-Chairman Sen. Richard Shelby, R-Ala., from September 2005 to February 2008." [American Banker, [12/26/18](#)]

- **Shelby Was A "Reliable Voice" In Support Of The Financial Industry.** "Former Senate Banking Committee Chairman Richard Shelby said Monday that he will retire when his term expires at the end of 2022. The Alabama Republican served two separate stints as head of the committee, first from 2003 until 2007, and then again from 2015 to 2017. [...] Shelby has been a reliable voice in the Senate against government intervention in the financial services industry. He opposed the bank bailout in 2008 and introduced legislation in 2015 to substantially roll back the Dodd-Frank Act." [American Banker, [02/08/21](#)]

In 2019, A Whistleblower Said WBL Took \$16.8 Million In Economic Development Funds And Then Fired 100 Minority Employees Hired As Part Of The Grant's Conditions.

During A Public Hearing Investigating The Disbursement Of New Jersey Economic Development Funds, A World Business Lenders Whistleblower Accused The Company Of Taking \$16.8 Million In Economic Development Funds And Then Firing 100 Minority Employees Hired As Part Of The Grant's Conditions.

In January 2019 New Jersey Governor Phil Murphy Created A Special Task Force To Investigate The Disbursement Of Economic Development Funds After A Comptroller Audit Found The State's Economic Development Agency May Have Improperly Disbursed Tax Credits, Including Releasing Tax Credits To Companies Failing To Meet Stated Requirements.

January 2019: New Jersey Governor Phil Murphy Created A Special Task Force To Investigate The Disbursement Of Economic Development Funds After A State Comptroller Audit "Faulted The EDA's [Economic Development Authority's] Management Of A Program That Has Given Out Tax Credit Incentives Worth \$11 Billion Since Its Inception." "Testifying Thursday at a public hearing as part of an ongoing investigation by a special governor's task force into state's troubled economic development agency, Murray said she had questioned the purpose of the new hires. [...] The task force was formed by Gov. Phil Murphy earlier this year after a highly critical audit by the state comptroller in January, which faulted the EDA's management of a program that has given out tax credit incentives worth \$11 billion since its inception." [NJ.com, [05/02/19](#)]

- **In January 2019, Phil Murphy Signed An Executive Order Creating A Task Force On EDA's Tax Incentives.** [State of New Jersey, [01/25/19](#)]

The Comptroller's Audit Found The EDA "May Have 'Improperly Awarded, Miscalculated, Overstate[d] And Overpaid' Tax Credits To A Number Of Companies That It Could Not Verify Had Created The Jobs That Were Promised." "The comptroller concluded that the state agency, which is responsible for spearheading New Jersey's economic development efforts, may have 'improperly awarded, miscalculated, overstate [sic] and overpaid' tax credits to a number of companies that it could not verify had created the jobs that were promised." [NJ.com, [05/02/19](#)]

The Comptroller's Audit Also Found The EDA "Could Not Evaluate Whether Its Inventive Programs Generated Any Economic Benefits To The State," While Releasing Tax Credits To Companies Without Them Actually Meeting Stated Requirements." "It also said the EDA could not evaluate whether its inventive programs generated any economic benefits to the state, and had certified projects and released tax credits even when projects did not meet the requirements, in violation of the law." [NJ.com, [05/02/19](#)]

World Business Lenders Received \$16.8 Million From The New Jersey Economic Development Authority For Relocating Its Headquarters From Manhattan To The Jersey City Waterfront.

2016: World Business Lenders Relocated Its Headquarters To The Jersey City Waterfront After Receiving \$16.8 Million In Tax Credits From The New Jersey Economic Development Authority. "Lured by \$16.8 million in tax credits, World Business Lenders celebrated its 2016 move to the Jersey City waterfront in a ribbon-cutting ceremony high atop a gleaming office tower near Exchange Place with panoramic views of the Hudson River and Manhattan skyline. 'We are delighted to call Jersey City our new home,' declared CEO Doug Naidus. The lucrative relocation deal with the state through the state Economic Development Authority that brought the non-bank lender from New York came with the promise that hundreds of new jobs would be created, and Naidus spoke about those employment opportunities." [NJ.com, [05/02/19](#)]

July 20, 2016: World Business Lenders Held A Ribbon Cutting Ceremony At " Its New Corporate Headquarters In Jersey City" After Relocating From Manhattan. "After securing the approval for a 10-year, \$16.8 million Grow New Jersey award from the Economic Development Authority in February, small business lending firm World Business Lenders has formally left Manhattan for New Jersey, cutting the ribbon Wednesday on its new corporate headquarters in Jersey City. Atop the 33rd floor of 101 Hudson St. near Exchange Place, WBL's new office features more than 35,000 square feet of space with panoramic views of the Hudson River and Manhattan skyline." [NJBIZ, [07/21/16](#)]

During A Public Hearing Of The Task Force, A Former Payroll Manager For World Business Lenders Alleged The Company Fired "100 Mostly Minority Employees Hired Under The Terms Of The Grant" Shortly After The Relocation And That She Was Fired after "Refusing To Falsify Employment Data To The New Jersey EDA."

The Task Force On EDA's Tax Incentives Was Empowered To Hold Public Hearings And To Refer Certain Matters To The State Comptroller For Subpoena Purposes Or To The EDA Itself To "Exercise Its Authority Under The Terms Of The Incentive Programs And Grants." "Following the release of the State Comptroller's audit of the Economic Development Authority's tax incentive programs that revealed startling deficiencies in monitoring and oversight, Governor Phil Murphy today signed an executive order creating a Task Force on EDA's Tax Incentives. [...] The Task Force is to hold public hearings. If necessary, the Task Force may refer matters to the State Comptroller to exercise its subpoena authority, or to the EDA to exercise its authority under the terms of the incentive programs and grants." [State of New Jersey, [01/25/19](#)]

At One Such Hearing, A Former Payroll Manager For World Business Lenders Alleged The Company Had Fired "100 Mostly Minority Employees Hired Under The Terms Of The Grant" Shortly After The Relocation. "It was all a mirage, according to Kerrie-Ann Murray, a former payroll manager for the company. The more than 100 mostly minority employees hired under the terms of the grant were quickly let go. She claimed in a New York complaint she was soon fired as well after allegedly refusing to falsify employment data to the New Jersey EDA. Testifying Thursday at a public hearing as part of an ongoing investigation by a special governor's task force into state's troubled economic development agency, Murray said she had questioned the purpose of the new hires." [NJ.com, [05/02/19](#)]

In A New York Complaint, The Former Payroll Manager Claimed She Was Also Fired By World Business Lenders "After Allegedly Refusing To Falsify Employment Data To The New Jersey EDA." "It was all a mirage, according to Kerrie-Ann Murray, a former payroll manager for the company. The more than 100 mostly minority employees hired under the terms of the grant were quickly let go. She claimed in a New York complaint she was soon fired as well after allegedly refusing to falsify employment data to the New Jersey EDA." [NJ.com, [05/02/19](#)]

The Payroll Manager Alleged The Company Had "'Instructed Her To Falsify' The Number Of Blacks And Hispanics Still Employed At The Firm." "That summer Murray oversaw the hiring of almost 280 people from the state's Department of Labor pool for telemarketing. They were largely part of a welfare-to-work program, Murray said. But shortly after Christmas all the employees had been let go despite a clause in the contract that required the firm to keep them on, Murray said. That's when her bosses 'instructed her to falsify' the number of blacks and Hispanics still employed at the firm, the complaint states." [New York Post, [04/09/18](#)]

WBL Has Hired Individuals With Questionable Histories, Including A Training Manager Who Used To Work For Jordan Belfort, The "Con Man" Who Inspired The Film *The Wolf Of Wall Street* And A Salesman Who Served Prison Time For Fraud.

WBL Hired Bryan Herman, A Former Employee Of Jordan Belfort—The "Con Man" Who Inspired *The Wolf Of Wall Street* Film—To Run Its Orientation Training And Hired Another Salesman Who Served Prison Time For Penny Stock Fraud.

WBL Hired Bryan Herman, A Former Employee At Jordan Belfort's Stratton Oakmont Who Was Later Charged With Fraud And Avoided Jail Only By Flipping On Other Brokers, To Run Their Orientation Trainings. "World Business Lenders put up job listings seeking former brokers, and they came. A February orientation schedule provided by a former employee shows that training is run by Bryan Herman, who got his start under Stratton Oakmont Inc.'s Belfort, the con man portrayed in 'The Wolf of Wall Street.' Herman later ran his own boiler room in the 1990s and avoided jail by informing on other brokers when he was charged with

fraud in 1998, court records show. Another salesman was released from prison in 2010 after serving about a year for penny-stock fraud.” [Bloomberg, [5/22/14](#)]

- **Jordan Belfort Is A Stock Broker Who Went To Prison For Crimes Related To Fraud And Was The Subject Of The Film The Wolf Of Wall Street.** “Jordan Belfort, the former stock broker whose story inspired the hit movie The Wolf of Wall Street, is suing the filmmakers for \$300m (£229m). [...] The film, which is Martin Scorsese's biggest film success to date, was based on Belfort's book, which described his wild rise as a young New York stockbroker in the late 80s, and his subsequent fall, through a haze of drugs, women, corruption and fraud. Belfort, who spent 22 months in prison for crimes depicted in the 2013 movie, now wants to make his rights deal void, claiming he never would have made it had he known where the money was coming from.” [BBC, [1/24/20](#)]

WBL Also Hired A Salesman Who Served Time In Prison For Penny-Stock Fraud “Herman later ran his own boiler room in the 1990s and avoided jail by informing on other brokers when he was charged with fraud in 1998, court records show. Another salesman was released from prison in 2010 after serving about a year for penny-stock fraud.” [Bloomberg, [5/22/14](#)]

In A 2014 Bloomberg Profile, Six Former Employees Questioned Whether WBL's Business Was Legal.

In A 2014 Bloomberg Profile, Six Former Employees Questioned Whether WBL's Business Was Legal. “Former employees said finding qualified borrowers willing to pay their rates proved more difficult than Naidus made it sound. Six said they questioned whether their business was legal. Two others said they wondered why the company seized cars that weren't worth enough to cover the repo man's fee.” [Bloomberg, [5/22/14](#)]

WBL Founder And CEO Doug Naidus Previously Led A Mortgage Firm That Was Subject To A \$202 Million Settlement With The U.S. Justice Department Over False Claims.

MortgageIT, A Mortgage Lender Founded By World Business Lenders CEO Doug Naidus In 1999 And Sold To Deutsche Bank In 2007, Was Sued By The Justice Department In 2011 For Repeatedly Making False Claims During A Period Overlapping With Naidus' Leadership – In 2012, Deutsche Bank And MortgageIT Admitted To The Misconduct And Agreed To Pay \$202 Million.

World Business Lenders CEO Doug Naidus Founded And Operated A Subprime Mortgage Lender During The Period It Was Accused By The Justice Department Of Falsely Stating Its Loans Were "Eligible For Taxpayer-Backed Insurance."

1999: Doug Naidus, The Founder And CEO Of World Business Lenders, Founded MortgageIT, A Subprime Home Loan Originator “That Ran Into Regulatory Problems In The Aftermath Of The 2008 Financial Crisis.” “World Business Lenders is owned by Doug Naidus, a former mortgage executive and founder of MortgageIT, a home loan originator that ran into regulatory problems in the aftermath of the 2008 financial crisis. Naidus declined a request for an interview, Occhino said. [...] Naidus, World Business Lenders' founder, is a serial entrepreneur. He created MortgageIT, a subprime mortgage company, in 1999.” [NBC News, [12/08/20](#)]

- **Doug Naidus Is The Founder And CEO Of World Business Lenders.** [World Business Lenders, accessed [04/09/21](#)]

MortgageIT And Deutsche Bank, Who Had Bought The Company From Naidus In 2007, Agreed To Pay \$202 Million To Settle These Allegations In 2012.

In 2007, Naidus Sold MortgageIT To Deutsche Bank For Nearly Half-A-Billion Dollars "As The Wheels Were Coming Off The Home Mortgage Market." "Naidus, World Business Lenders' founder, is a serial entrepreneur. He created MortgageIT, a subprime mortgage company, in 1999. In 2007, as the wheels were coming off the home mortgage market, he sold the company to Deutsche Bank for almost a half-billion dollars." [NBC News, [12/08/20](#)]

2011: A Justice Department Lawsuit Alleged That From 1999 To 2009 MortgageIT "Had Repeatedly Made False Certifications That The Company's Loans Were Eligible For Taxpayer-Backed Insurance When They Were Not." "In 2011, the Justice Department sued Deutsche Bank and MortgageIT, contending that MortgageIT officials had repeatedly made false certifications that the company's loans were eligible for taxpayer-backed insurance when they were not. The improprieties occurred from 1999 to 2009, the government said.

- **"Deutsche Bank And MortgageIT Admitted To The Conduct And Agreed To Pay \$202 Million To Settle The Case In 2012."** [NBC News, [12/08/20](#)]

A WBL-Tied LLC In California Took A \$2.19 Million Paycheck Protection Program (PPP) Loan—Even Though The Program Was Meant For Struggling Small Businesses And Was Originally Intended To Exclude Lenders—Meanwhile, Several Small Business Owners Have Seen Their Livelihoods And Even Their Homes Threatened After Taking WBL Loans.

WBL California, LLC, Which Is Registered Under WBL CEO Doug Naidus And General Counsel Andy Occhino, Took A \$2.19 Million Paycheck Protection Program Loan Intended For Struggling Small Businesses During The Pandemic.

April 28, 2020: WBL California, LLC Took A \$2.19 Million Paycheck Protection Program Loan, Intended To Help Struggling Small Businesses Meet Expenses During The COVID-19 Pandemic. [Accountable.US COVID Bailout Tracker, accessed [04/19/21](#)]

- **April 3, 2020: The Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic.** "The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President's signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses." [Small Business Administration – Press Release, [4/3/20](#)]

WBL California, LLC's 2019 Statement Of Information, Filed With The California Secretary Of State On August 6, 2019, Lists WBL General Counsel And Chief Compliance Officer Andy Occhino. [WBL California, LLC Statement of Information, [08/06/19](#)]

08/06/2019

ANDY OCCHINO

MANAGER

Date

Type or Print Name of Person Completing the Form

Title

- **Andy Occhino Is The General Counsel and Chief Compliance Officer Of World Business Lenders.** “Andy Occhino Managing Director – General Counsel and Chief Compliance Officer Andy joined World Business Lenders in 2011. He is an attorney and a corporate executive with over 30 years of experience in the financial services industry.” [World Business Lenders, accessed [04/08/21](#)]

WBL California, LLC’s 2019 Statement Of Information Also Lists WBL CEO Doug Naidus As A Manager Or Member. [WBL California, LLC Statement of Information, [08/06/19](#)]

D. List of Additional Manager(s) or Member(s) - If the manager/member is an individual, enter the individual's name and address. If the manager/member is an entity, enter the entity's name and address. Note: The LLC cannot serve as its own manager or member.

[...]

First Name DOUG	Middle Name	Last Name NAIDUS	Suffix
Entity Name			
Address 3090 BRISTOL STREET, SUITE 160		City (no abbreviations) COSTA MESA	State CA Zip Code 92626

[WBL California, LLC Statement of Information, [08/06/19](#)]

- **Doug Naidus Is The Founder And CEO Of World Business Lenders.** [World Business Lenders, accessed [04/09/21](#)]

WBL California, LLC, Which Has Disclosed Itself As A Commercial Lender, Took Its PPP Loan Although Lenders Were Originally Barred From Receiving Loans Under The Program And Their Eligibility Remained Under Dispute Through 2020 And Was Likely To Be Struck Down In 2021.

WBL California, LLC Is A “Commercial Lending: Business, According To Its 2019 Statement.

7. Type of Business

a. Describe the type of business or services of the Limited Liability Company
COMMERCIAL LENDING

[WBL California, LLC Statement of Information, [08/06/19](#)]

The Small Business Administration Originally Barred “All Lenders” From The Paycheck Protection Program, But That Decision Has Been Disputed And Challenged In Court. “From the beginning of the \$670 billion Paycheck Protection Program, disputes have arisen about which businesses should be eligible for the money. [...] Similar questions have arisen about whether lenders, particularly payday loan companies that charge high interest rates, ought to be eligible for the program. At the outset, the Small Business Administration imposed a rule excluding all lenders from the Paycheck Protection Program.” [The Washington Post, [01/15/21](#)]

- **The Decision To Exclude Lending Companies From The PPP Has Been “Repeatedly Challenged In Court.”** “But the decision to exclude them — along with lobbying firms and businesses that offer ‘prurient’ entertainment — has been repeatedly challenged in court: The SBA and Treasury Secretary Steven Mnuchin were sued last year by a strip club in Flint, Mich., a group of strip clubs in Wisconsin, a lobbying group and a payday lender.” [The Washington Post, [01/15/21](#)]

January 2021: A Senior SBA Official Said Lending Organizations Would Be Generally Excluded From The Next Phase Of The PPP. “A senior administration official involved in the government’s PPP implementation declined to comment on payday lenders specifically, but said lending organizations generally would not be eligible for PPP loans in the next \$284 billion phase of the program. ‘Generally businesses whose stock and trade is financing or lending are generally, and I need to qualify this, may not be eligible,’ said the

senior administration official, who spoke on the condition of anonymity to discuss the federal government's plans." [The Washington Post, [01/15/21](#)]

An Atlanta-Based Small Business Owner Sued WBL After His Debt From Just One Of The Firm's Rent-A-Bank Loans Nearly Tripled Despite His \$27,000 In Payments; WBL Ultimately Foreclosed On The Man's House And Bought It At An Auction "On The Courthouse Steps."

An Atlanta Small Business Owner Sued WBL After He Took A Rent-A-Bank Loan From The Firm And Saw His Debt A \$50,000 Loan Nearly Triple. "In 2018, Imo S. Okwu needed a quick infusion of cash in his company, Quantum-Mac, to meet conditions of a contract with the city of Atlanta. The Cobb County engineer couldn't secure a conventional loan, so he contacted a broker who put him in touch with a financial services company. It agreed to provide his company with \$50,000. Today, although Okwu has repaid about \$27,000, the lender claims his debt is about three times the amount his company borrowed. He fell victim, he claims in a lawsuit filed in federal court in Atlanta, to a rent-a-bank scheme with a disguised annual interest rate of 88% — well above Georgia's usury cap." [Atlanta Journal-Constitution, [10/08/20](#)]

The Small Business Owner's Lawsuit Alleged That WBL Engaged In A Rent-A-Bank Scheme To Evade Georgia's Interest Rate Caps And Issue Usurious Loans To Him And "Hundreds Of Other Georgia Residents." "Under such schemes, to evade a state's interest rate cap, a lender partners with a bank to make the loan under its name. Okwu's lawsuit alleges that the financial services company in his case used an out-of-state federal bank to issue loans with usurious interest rates to him and hundreds of other Georgia residents in the past year." [Atlanta Journal-Constitution, [10/08/20](#)]

The Small Business Owner Eventually Lost His Home After He Could Not Repay The Loan And WBL "Bought It At Auction On The Courthouse Steps." "He lost his home in June, because he could not repay the loan. World Business Lenders bought it at auction on the courthouse steps." [Atlanta Journal-Constitution, [10/08/20](#)]

WBL Loans Threatened The Livelihood Of A Couple That Owns A Restaurant In Harlem—Not Only Did Their Loans To Help Meet Expenses During The Pandemic Have A 268% Interest Rate, The Family Also Faced A WBL Foreclosure Proceeding Which Added A 30% Penalty To Their Debt.

A Couple That Owns A Restaurant In Harlem Had Their Livelihoods Threatened—including Their Daughter's College Education—After Taking A High-Cost Loan From WBL. "Since 2014, Markisha and Carlos Swepson have been serving up catfish breakfast, smothered pork chops and other handcrafted American food at BLVD Bistro in New York's Harlem neighborhood. With wood floors, exposed pipes and comfy booths, the eatery has earned raves from diners and online reviewers. 'All my resources — financially, emotionally — are into BLVD Bistro,' Carlos said. 'This is my life. This is what we do. This is how I can send my daughter to college.' Now that goal is threatened — not only by Covid-19-related shutdowns, but also by their lender, a New Jersey-based company called World Business Lenders. The company, which makes high-cost [small-business loans](#), is known for hard-line collection practices when borrowers fall behind, court records show. For example, it seizes merchants' homes and other properties backing the loans and adds costly penalties during foreclosures." [NBC News, [12/08/20](#)]

The Couple Took Two Loans From WBL Totaling \$67,000 With An Effective Interest Rate Of 268% To Help Meet Expenses During The Pandemic And To Help Pay For A Renovation. "The Swepsos are experiencing these practices firsthand. Because of a lengthy renovation and lower revenues during the coronavirus pandemic, the couple are behind on two loans arranged by World Business Lenders. The loans, totaling \$67,000, have an effective annual interest rate of 268 percent, court filings show." [NBC News, [12/08/20](#)]

The Family Also Faced Foreclosure Proceedings By WBL, Which Then Triggered A 30% Prepayment Penalty To Their Loans. “Markisha is also facing foreclosure proceedings by World Business Lenders on a property backing the loans that she owns in Paterson, New Jersey. The proceedings also triggered a so-called prepayment penalty, adding another 30 percent of the Swepsons’ loans to the amount they owe, documents show. A loan broker introduced them to World Business Lenders, Markisha said.” [NBC News, [12/08/20](#)]

After An Accident Left Him Unable To Work, A Mobile, Alabama Tugboat Company Owner Took Two WBL Loans With 127% And 85% Interest Rates—Far Above His State’s 8% Cap—And Then Faced Foreclosure On A “Dream Home He Built.”

The Owner Of A Mobile, Alabama Tugboat Company Faced Foreclosure Of A “Dream Home He Built” After Taking WBL Loans To Help Him Meet Expenses Following An Accident That Left Him Unable To Work. “Erik Hansen-Dreijer, owner of an ocean tugboat operation in Mobile, Alabama, is another World Business Lenders borrower facing foreclosure. At risk is the 2003 dream home he built with Martha, his wife of 41 years. After an accident left Hansen-Dreijer unable to work in 2019 and no bank would lend him money to make up the shortfall, he took funding offered by World Business Lenders. Covid-19 shutdowns subsequently forced him to stop operating the business, which his father founded in 1950.” [NBC News, [12/08/20](#)]

The Tugboat Company Owner’s Two Loans Had Interest Rates Of 127% And 85%—Far Above Alabama’s 8% Interest Rate Cap—And WBL Forced Him To Take A Second Mortgage On His Home As A Condition For The Loans. “Hansen-Dreijer’s interest rate on one loan was 127 percent, records show, while another was 85 percent; repayments were due weekly. Alabama laws generally cap interest rates at 8 percent but allow higher rates ‘if not unconscionably high.’ ‘The only way they’d make the loans was if I agreed to a second mortgage with them on my home,’ Hansen-Dreijer said.” [NBC News, [12/08/20](#)]

The Business Owner Said WBL Rushed The Borrowing Process, Sending Him What He Called “Volumes” Of Forms That He Had To Sign In One Day. “Hansen-Dreijer said that the borrowing process took place electronically and that it was rushed. ‘When you look at what they send you, it’s volumes,’ he said. ‘I received it on a Thursday, and they expected me to sign it on Friday.’” [NBC News, [12/08/20](#)]

After The Owner Fell Behind On His Payments WBL “Pestered” Him And Then Filed A Foreclosure Action, Which Forced The Owner To File For Personal Bankruptcy To Prevent Losing His Home. “Hansen-Dreijer fell behind on the loans during the summer of 2019. He said World Business Lenders initially pestered him for repayment; then, last month, it filed a foreclosure action giving him until Nov. 16 to pay. Both loans carry prepayment penalties. He filed for personal bankruptcy to try to hang onto his home.” [NBC News, [12/08/20](#)]

World Business Lenders CEO Doug Naidus Lives In A \$2.2 Million Home With A Spa, And Reportedly Decorated His Office With “A Photo Of Himself Striking A Martial-Arts Pose With A Sword, Shirtless.”

Doug Naidus, Founder and CEO of World Business Lenders, Owns A 6,000 Square Foot Property Worth At Least \$2.25 Million.

Doug Naidus Is The Founder And CEO Of World Business Lenders. [World Business Lenders, accessed [04/09/21](#)]

Doug And Tatiana Naidus Own A Home At 5 Millers Crossing In Tenafly, New Jersey With A 2021 Assessed Value Of \$2,250,000. [Bergen County Tax Assessor, accessed [04/09/21](#)]

TAX-LIST-HISTORY					
Year	Owner Information	Land/Imp/Tot	Exemption	Assessed	Property Class
2021	NAIDUS, DOUG & TATIANA	1146000	0	2250000	2
	5 MILLERS CROSSING	1104000			
	TENAFly, NJ 07670	2250000			



[Bergen County Tax Assessor, accessed [04/09/21](#)]

- **Doug Naidus Has Been Pictured With Tatiana Naidus.** “BRIDGEHAMPTON, NY - SEPTEMBER 16: Doug Naidus and Tatiana Naidus attend The Bridge 2017 at the Former Bridgehampton Race Circuiton on September 16, 2017 in Bridgehampton, New York.” [Getty Images, [09/16/21](#)]



[Getty Images, [09/16/21](#)]

Naidus' Approximately 6,000 Square Foot Home Includes 6 Bedrooms, 6.5 Baths, 3 Fireplaces, A "Custom Cherry Library," A Pool, And A Spa. "This brick colonial is timeless in architecture & simply elegant in design. This residence showcases approximately 6000 sq. ft. of luxurious living space plus a finished lower level. This home offers high ceilings, an open floor plan & extraordinary attention to detail & quality. Located on one of Tenaflly's most desirable cul-de-sacs, this private acre is complete with pool & spa. This 15 room residence showcases, 6 bedrooms, 6.5 baths, custom cherry library, elegant formal living room with fireplace, the gourmet kitchen opens to the newly designed family room with custom granite fireplace and custom Madagascar Ebony wood built-ins, high ceilings w/detailed moldings, 3 fireplaces & exquisite finishes t/o." [Coldwell Banker Homes, accessed [04/09/21](#)]

Doug Naidus Reportedly Has A Photo In His Office Of "Himself Striking A Martial-Arts Pose With A Sword, Shirtless" And Likes "To Discuss His Street-Fighting Skills." "Four former employees said Naidus impressed them during job interviews with his success and intensity. He'd meet them in his office, which he decorated with a photo of himself striking a martial-arts pose with a sword, shirtless. One ex-colleague said Naidus liked to discuss his street-fighting skills. He looked like action star Jean-Claude Van Damme, another said." [Bloomberg, [5/22/14](#)]

Naidus Once Owned A \$6.2 Million Dollar Manhattan Apartment With 6 Bedrooms He Sold For An Undisclosed Price That Is Currently On The Market For Nearly \$8 Million.

Naidus Bought A \$6.2 Million Dollar Manhattan Apartment In 2005 And Attempted To Sell It For \$11.25 Million In 2014.

In 2005, Naidus Purchased A \$6.2 Million Dollar 6 Bedroom, 4.5 Bathroom Duplex In Manhattan That, By 2014, Cost \$8,410 Monthly. “This marble-floored duplex in the Upper East Side's The Seville was purchased in 2005 for \$6.2 million by former MortgageIT CEO Doug Naidus. [...] But on the bright side, Naidus ended up with this very fancy apartment, which he would now like to sell for \$11.25 million. He previously put the 4,254-square-foot 6BR/4.5BA on the market in 2008 for \$10.95 million and allowed the price to be chopped down to \$7.9 million before pulling the listing. The \$8,410 in monthly costs aren't going to make this one an easy sell.” [Curbed NYC, [3/10/14](#)]

Naidus Put The Manhattan Duplex On The Market In 2014 For \$11.25 Million. “But on the bright side, Naidus ended up with this very fancy apartment, which he would now like to sell for \$11.25 million. He previously put the 4,254-square-foot 6BR/4.5BA on the market in 2008 for \$10.95 million and allowed the price to be chopped down to \$7.9 million before pulling the listing. The \$8,410 in monthly costs aren't going to make this one an easy sell.” [Curbed NYC, [3/10/14](#)]

In 2014 Naidus Sold The Apartment For A Sum Not Publicly Disclosed And The Apartment Is Back On The Market, Now Listed At \$7.75 Million.

Naidus Sold The Apartment In A Non-Market Sale In 2014, Meaning The Details Were Not Publicly Disclosed.

300 East 77 #27B

Sold for \$0

Located at [300 East 77](#). Sold on 31 Oct, 2014.

Non-Market Sale ⓘ

listings — now in one place.

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Original Filing



Filed on 02/03/2015

Buyer(s)

Maximus Property Ventures LLC
8 Tanglewood Lane
Sea Cliff NY 11579

Seller(s)

Naidus, Doug
300 East 77 Street
New York NY 10021

Unit Details Condo

Size: 4254 ft²
Sale Type:

[Street Easy, [2/03/15](#)]

As Of April 2021, The Apartment Was Currently Back On The Market For \$7.75 Million.

Price History

12/22/2020	Listing entered contract	\$7,750,000
09/26/2020	Price decreased by 8%	\$7,750,000 ↓
07/15/2020	Listed by Douglas Elliman	\$8,450,000
10/31/2014	Previous Sale recorded	\$0

[Street Easy, [Accessed 4/20/21](#)]

Naidus Belonged To An Exclusive Country Club In The Hamptons That Reportedly Costs About \$1 Million Just To Join, And Would Invite His Colleagues There To Demonstrate His Wealth.

In Order Demonstrate His Wealth To His Former Colleagues At Deutsche Bank, Naidus Would Invite Them To Play Golf At The Bridge, A Country Club In The Hamptons.

In Attempts To Demonstrate His Wealth To His Former Colleagues At Deutsche Bank, Naidus Would Invite Them To Play Golf At The Bridge, A Country Club In The Hamptons. “Naidus made colleagues at Deutsche Bank aware of his wealth, one former co-worker said. He invited his bosses to play golf at the Bridge, a country club near his summer house in the Hamptons. The club cost \$750,000 to join, the Wall Street Journal reported in 2007.” [Bloomberg, [5/22/14](#)]

The Bridge Is A Members-Only Golf Club That Reportedly Has A \$1,000,000 Initiation Fee And Caters To The Most Exclusive Of The Hamptons Elite.

The Bridge Is A Members-Only Golf Club Located At The Bridgehampton Country Club In The Hamptons That Reportedly Has A Seven Figure Initiation Fee. “The lawn party that occurred in Bridgehampton on Saturday was unlike any of the other tony events that dominate the Hamptons summer calendar, and it wasn’t just the presence of 150 stunning contemporary and vintage vehicles. Held at the Bridge, a members-only golf club, the car show is not a contest, where the cars are analyzed by experts for their historical accuracy. [...] And at the Bridge, the guests are as carefully curated as the cars. The golf club is rumored to have a seven-figure initiation fee, and the event founders—who, in addition to Abas, include New York City lawyer (and car collector) Jeffrey Einhorn, and Bridge owner (and car collector) Robert Rubin—would prefer to keep the attendee list equally exclusive.” [Vanity Fair, [9/18/18](#)]

Gold Digest Estimated The Initiation Fee At \$1,000,000. “The Bridge, which opened in 2002 and is one of the newest clubs in the Hamptons, has an initiation fee of about \$1 million. Yet it is anything but a hidebound, traditional club. Wearing jeans, cargo shorts or a cap turned backward is not only OK, it’s encouraged, if that’s how you want to express yourself.” [Golf Digest, [6/18/18](#)]

The Bridge Hosts An Annual Exclusive Lawn Party Featuring Numerous Expensive Rare And Collectable Cars Worth As Much As Eight Figures, Catering To The Richest Of The Hamptons Crowd. “The Bridge is not open to the public; one cannot simply buy a ticket. Only 1,200 select guests can attend, and an invite has apparently become coveted among the local elite. [...] The display thus privileges post-World War II vehicles that may have, did, or were eligible to run the track during that era, making for a show that was a combination of the interesting, the intriguing, and the exquisite, with vehicles ranging in value from five- to eight-figures.” [Vanity Fair, [9/18/18](#)]