

**STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT**

In the Matter of:)	
)	
LENDINGCLUB CORPORATION,)	CONSENT ORDER
a Delaware corporation,)	
)	
Respondent.)	

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:
LENDINGCLUB CORPORATION, a Delaware corporation, RESPONDENT.**

The North Dakota Securities Commissioner has advised the Respondent that the Commissioner is prepared to commence formal action pursuant to Chapter 10-04 of the North Dakota Century Code and has determined as follows:

1. Respondent was incorporated in Delaware in 2006 and maintains its principal executive offices in California.
2. Respondent operates an online lending platform that connects borrowers and investors.
3. Respondent's platform allows qualified borrower members to obtain unsecured loans with competitive interest rates and provides prospective investors with the opportunity to invest in Member Payment Dependent Notes ("Notes") which correspond to such loans. Such Notes have three- to five-year terms.
4. Respondent is the issuer of the Notes, which are special, limited obligations of Respondent only and not obligations of any borrower.

5. The Notes issued by Respondent are "securities" as defined in N.D.C.C. §10-04-02(19). N.D.C.C. §10-04-04 requires that securities offered for sale or sold in North Dakota be registered or exempt from registration.

6. Since October 10, 2008, Respondent has registered its Notes with the U.S. Securities and Exchange Commission.

7. Respondent also filed an application to register its Notes with the North Dakota Securities Department in 2008, but the application was never approved.

8. Due to Respondent's common stock being authorized for listing on the New York Stock Exchange ("NYSE") on October 31, 2014 and subsequently trading on the NYSE on December 11, 2014, Respondent was able to claim an exemption from registration under the North Dakota Securities Act, N.D.C.C. Chapter 10-04 (the "Securities Act"), for its Notes issued and sold in North Dakota after the date that the common stock was authorized for listing on the NYSE.

9. From June 2008 to December 2014, Respondent sold multiple Notes, in small denominations, to 31 residents of North Dakota totaling \$120,925. Such sales were effected by the investors directly through Respondent's online platform. Each of the offers and sales of the Respondent's Notes, while neither registered nor exempt from registration, was made in violation of N.D.C.C. § 10-04-04.

10. On September 23, 2019, Respondent voluntarily suspended the sale of all Notes within the State of North Dakota and subsequently submitted an application to register as an issuer-dealer. Under the North Dakota Securities Act, an issuer of securities, who directly offers for sale and sells its own securities in North Dakota, not utilizing a broker-dealer registered here, nor in an exempt transaction, is required to be registered here. From June

2008 through September 23, 2019, the Respondent, LendingClub Corporation, was not registered as an issuer-dealer or broker-dealer with the Securities Department and the offer for sale and sale of its Notes was in violation of N.D.C.C. § 10-04-10. Respondent is currently registered as an issuer-dealer with the North Dakota Securities Department.

11. Respondent has cooperated with the Securities Department during its investigation and Respondent's sales of Notes to North Dakota residents have caused no known direct consumer harm. No Notes issued by Respondent prior to December 11, 2014 are outstanding.

12. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is prohibited by Chapter 10-04 of the North Dakota Century Code, the Securities Commissioner may issue any order and assess civil penalties in an amount not to exceed \$10,000 for each violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to N.D.C.C. § 10-04-16(1).

13. Respondent has a right to a hearing on this matter, but affirmatively waives any right to a hearing and to present arguments to the Commissioner regarding this matter.

14. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the Consent to Entry of Order, attached hereto and incorporated herein by reference.

15. The following Order is necessary and appropriate in the public interest for the protection of investors.

NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. In connection with the sales of Notes during the period that such Notes were neither registered nor exempt from registration in North Dakota, Respondent, LendingClub Corporation, shall pay a civil penalty of Thirty-one Thousand Dollars (\$31,000.00), made payable to the North Dakota Securities Department, upon entry of this Consent Order.

2. In connection with the Respondent's initial failure to register as an issuer-dealer in North Dakota, Respondent further agrees to pay the amount of Two Thousand Four Hundred Dollars (\$2,400.00), representing past registration fees due and payable to the North Dakota Securities Department, upon entry of this Consent Order.

3. This Consent Order shall be effective upon signature of the Commissioner.

IN TESTIMONY WHEREOF, witness my hand and seal this 22nd day of July, 2020.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

**STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT**

In the Matter of:)	
)	
LENDINGCLUB CORPORATION,)	CONSENT TO ENTRY
a Delaware corporation,)	OF ORDER
)	
Respondent.)	

.....

Respondent, LendingClub Corporation, by and through its authorized representative, by signing below, admits the jurisdiction of the North Dakota Securities Department, agrees to the entry of this Consent Order, and waives any right to a hearing or to judicial review.

The foregoing Consent Order, which is attached hereto and incorporated herein by reference, constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.

The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly and voluntarily for the purpose of resolving the issues described in the foregoing Consent Order.

 Ryan Marsh represents that he or she has been authorized to enter into this Consent Order on behalf of LendingClub Corporation.

LendingClub Corporation

By: DocuSigned by:
Ryan Marsh _____

Title: VP, Litigation

Date: 7/14/2020