

1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING ) Order Number S-05-028-05-TO01  
5 Whether there has been a violation of the )  
6 Securities Act of Washington by: ) SUMMARY ORDER TO CEASE AND  
7 The Loan Shoppe, Inc; MRNA Financial, Inc; ) DESIST AND REVOKING EXEMPTION  
8 Charles Carver; Mario R Naranjo; and Jane ) AND NOTICE OF INTENT TO IMPOSE  
9 Byron, ) FINES AND RECOVER COSTS  
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Respondents

8 THE STATE OF WASHINGTON TO: The Loan Shoppe, Inc.  
9 MRNA Financial, Inc.  
10 Charles Carver  
11 Mario Naranjo  
12 Jane Byron

13 **STATEMENT OF CHARGES**

14 Please take notice that the Securities Administrator of the State of Washington has reason  
15 to believe that Respondents, The Loan Shoppe, Inc; MRNA Financial, Inc; Charles Carver; Mario R  
16 Naranjo; and Jane Byron, have each violated the Securities Act of Washington and that their violations  
17 justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease  
18 and desist from such violations. The Securities Administrator finds that delay in ordering the  
19 Respondents to cease and desist from such violations would be hazardous to the investors and to  
20 the public and that a Summary Order to Cease and Desist and Revoking Exemption should be  
21 entered immediately. The Securities Administrator finds as follows:  
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SUMMARY ORDER TO CEASE AND DESIST

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **TENTATIVE FINDINGS OF FACT**

2 **I. PARTIES**

3 1. The Loan Shoppe (“TLS”) is a Florida corporation with a principal place of  
4 business of 777 S. State Rd 7, Margate FL 33058. TLS is a payday loan company that also offers  
5 factoring of accounts receivable and prepaid credit cards.

6 2. MRNA Financial, Inc (“MRNA”) is an inactive Florida corporation located at 700  
7 E Atlantic Blvd, Suite 300, Pompano Beach, FL 33060, and previously located at 3145 NE 184<sup>th</sup>  
8 St, Ste 5101, Aventura FL 33160.

9 3. Charles E Carver (“Carver”) is President and CEO of TLS.

10 4. Mario R. Naranjo (“Naranjo”) is President and CEO of MRNA. Naranjo  
11 identified himself to Washington investors as the CFO of TLS.

12 5. Jane Byron (“Byron”) is a TLS representative who answered investor telephone  
13 calls and promoted TLS investment opportunities.

14 **II. NATURE OF THE OFFERING**

15 6. From at least May 2002 through November 2004, Respondents offered and/or  
16 sold securities to at least 32 Washington residents totaling over \$1,000,000. Respondents told  
17 investors that TLS offers payday loans, prepaid credit cards, and other financial services.  
18 Examples of the offers and sales are set forth in the following paragraphs 7 through 10.

19 7. A then resident of California, RB learned of the TLS investment opportunity from  
20 a co-worker at Alaska Airlines in May 2002. RB called a toll-free number and spoke to Byron.  
21 Byron told RB the investment was risk free and had a guaranteed return of 36% per annum.  
22 Byron sent RB an investor’s packet that contained a subscription agreement, a blank promissory  
23 note, advertising materials, a Limited Liability Partnership Agreement offering document, an

1 Accounts Receivable Purchase Agreement and a return FedEx label for payment and return of  
2 the signed documents. The documents instructed RB to make his check payable to MRNA  
3 Financial and to send payment to MRNA at the address provided for TLS. Based upon  
4 representations made by Bryon and his friend's recommendation, RB invested \$50,000 in TLS  
5 between May 3, 2002 and May 6, 2003.

6 8. In June 2003, RB moved to Renton, Washington. RB subsequently invested an  
7 additional \$50,000 in TLS between June and November 2003. In each of these subsequent  
8 investments RB spoke with Naranjo, who identified himself as the CFO. RB told CC, a  
9 Washington resident, about the investment and encouraged CC to call the company.

10 9. CC called the toll free number and spoke to Jane Byron. Byron told CC that The  
11 Loan Shoppe had a very high volume of traffic, that the 36% interest the company charged  
12 borrowers would guarantee investors a 30% per annum return on their investment, and that all  
13 proceeds would be used to maintain corporate operations. Byron sent CC an investors packet  
14 that contained subscription agreements, a blank promissory note, and advertising materials, an  
15 investment opportunity offering document, an Accounts Receivable Purchase Agreement and  
16 return FedEx label for payment and return of the signed documents. The offering documents  
17 instructed CC to send her payment to MRNA at the address given for TLS. In mid-December  
18 2003, CC withdrew \$45,000 from her IRA, invested the \$45,000 with TLS, and received a  
19 promissory note to evidence her investment.

20 10. In late December 2003, RB told his fiancé, RM, about the investment opportunity.  
21 RM, a Washington resident, joined RB in a conference call with Byron. Byron told RM that  
22 TLS had a very high traffic volume, allowing the company to guarantee a 30% per annum return  
23 on an investment of at least \$30,000. Byron sent RM an investors packet that contained

1 subscription agreements, a blank promissory note, advertising materials, an investment  
2 opportunity offering document, an Accounts Receivable Purchase Agreement and return FedEx  
3 label for payment and return of the signed documents. The offering documents instructed RM to  
4 make her check payable to MRNA and to mail the purchase agreement and check to MRNA at  
5 the address given for TLS. RM invested \$30,000 in January 2004. When one of her monthly  
6 payments was late she called the toll free number and spoke to Naranjo, who identified himself  
7 as the CFO of TLS. RM received the late check within days. RM visited three TLS stores in  
8 Alabama while on vacation in July of 2004. She spoke to employees at each store and learned  
9 that the stores had combined foot traffic of ten customers a week.

### 10 III. BACKGROUND INFORMATOIN

11 11. On April 24, 2004, TLS filed with the Securities Division a notice of claim of  
12 exemption under WAC 460-44A-506 for an unrelated offering of \$5,000,000 in “Corporate  
13 Bonds.” Neither TLS nor Carver notified the Division of the previous offers and sales of  
14 securities to Washington residents. Based upon the information supplied by TLS, the Division  
15 mailed a “Notice of Filing Acknowledgement” and established STAR Registration File Number  
16 80025752 on April 26, 2004.

17 12. On August 24, 2004, the Alabama Securities Commission issued a Cease &  
18 Desist Order against TLS and Charles E Carver for violations of the Alabama Securities Act.  
19 Specifically, the Commission found that the securities offered and sold by these Respondents  
20 were not registered with the State of Alabama and that neither TLS nor Carver was registered as  
21 a broker-dealer or securities salesperson in the State of Alabama.

1 IV. REGISTRATION STATUS

2 13. Neither TLS nor MRNA is currently registered to sell securities in the state of  
3 Washington and have not previously been so registered. TLS filed with the Securities Division in  
4 April 2004 a claim of exemption under WAC 460-44A-506 for an offering of \$5,000,000 of  
5 “Corporate Bonds”, file number 80025752.

6 14. Neither Charles E Carver, nor Mario R. Naranjo, nor Jane Byron is currently  
7 registered as a securities salesperson or broker-dealer in the state of Washington and they have  
8 not previously been so registered.

9 V. MISREPRESENTATIONS AND OMISSIONS

10 15. Respondents guaranteed investors would realize a rate of return between 30%  
11 and 36% per annum. Respondents failed to provide the assumptions and a reasonable basis for  
12 the claimed return and failed to disclose the source, extent, and worthiness of the guarantee of  
13 the return.

14 16. Respondents failed to provide material information about the offering to investors  
15 either orally or in the offering documents. The offering documents contained no discussion of  
16 risk factors, no information about the management personnel or corporate history, and no audited  
17 or unaudited financial statements.

18 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

19 CONCLUSIONS OF LAW

20 17. The offer or sale of the promissory notes and investment opportunities described  
21 above constitutes the offer or sale of a security as defined in RCW 21.20.005(10) and (12).

1 18. The offer or sale of said securities is in violation of RCW 21.20.140 because the  
2 securities were not registered under the Securities Act, ch. 21.20 RCW, at the time of the offer  
3 and sale.

4 19. Respondents each have violated RCW 21.20.040 by offering or selling said  
5 securities while not registered as a securities salesperson or broker-dealer in the state of  
6 Washington.

7 20. The offer or sale of said securities was made in violation of RCW 21.20.010  
8 because Respondents misrepresented and/or omitted material facts necessary in order to make  
9 the statements made, in the light of circumstances under which they were made, not misleading.

10 **EMERGENCY**

11 21. The Securities Administrator finds that an emergency exists, that continued  
12 violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140, constitute a threat to the  
13 investing public, and that summary orders to cease and desist from those violations and to revoke  
14 exemptions are in the public interest and necessary for the protection of the investing public.

15 **SUMMARY ORDER**

16 Based on the foregoing,

17 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that The Loan  
18 Shoppe, Inc; MRNA Financial, Inc; Charles Carver; Mario R Naranjo; and Jane Byron, their  
19 agents and employees, each shall cease and desist from offering or selling securities in any  
20 manner in violation of RCW 21.20.140, the section of the Securities Act of Washington  
21 requiring registration.

22 It is further SUMMARILY ORDERED that respondents, The Loan Shoppe, Inc; MRNA  
23 Financial, Inc; Charles Carver; Mario R Naranjo; and Jane Byron, their agents and employees,  
24 SUMMARY ORDER TO CEASE AND DESIST

1 each shall cease and desist from violation of RCW 21.20.010, the anti-fraud section of the  
2 Securities Act.

3 It is further SUMMARILY ORDERED that Charles E Carver, Mario R Naranjo, and Jane  
4 Byron, each shall cease and desist from violation of RCW 21.20.040, the section of the  
5 Securities Act that requires registration of securities salespersons and broker-dealers.

6 It is further SUMMARILY ORDERED that exemption from registration claimed by The  
7 Loan Shoppe and Charles E Carver on April 24, 2004 (File Number 80025752) is hereby  
8 revoked pursuant to RCW 21.20.325, the section of the Act that authorizes the administrator to  
9 revoke exemptions.

#### 10 **NOTICE OF INTENT TO IMPOSE FINE AND RECOVER COSTS**

11 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
12 Administrator finds that Respondents The Loan Shoppe, Inc; MRNA Financial, Inc; Charles  
13 Carver; Mario R Naranjo; and Jane Byron, have committed a knowing or reckless violation of  
14 the Securities Act such that the imposition of a fine is appropriate. Therefore, pursuant to RCW  
15 21.20.390 and 21.20.395, the Securities Administrator intends to order that the Respondents shall  
16 jointly and severally pay a fine in the amount of \$50,000 and the costs, fees, and other expenses  
17 incurred in the conduct of investigating this matter, in an amount not less than \$2,000.

#### 18 **AUTHORITY AND PROCEDURE**

19 This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the  
20 provisions of RCW 34.05. Respondents The Loan Shoppe, Inc; MRNA Financial, Inc; Charles  
21 Carver; Mario R Naranjo; and Jane Byron, may each make a written request for a hearing as set  
22 forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR

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HEARING accompanying this order.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist and revoking exemption permanent and impose the fine and costs as to that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Dated and Entered this 18th day of March 2005.



MICHAEL E. STEVENSON  
Securities Administrator

Approved by:

Presented by



MARTIN CORDELL  
Chief of Enforcement



PAUL A LAIRD  
Securities Investigator

and



Tyler Letey  
Financial Legal Examiner