

Payment Dependent Notes (the “Notes”), the proceeds of which fund specific loans made to individual borrower members.”¹

3. Borrowers receive fixed interest loans originated through LendingClub’s platform and funded by WebBank, an FDIC insured Utah-chartered industrial bank.
4. WebBank assigns the loans to LendingClub “in exchange for the aggregate purchase price we have received from investors who have committed to purchase Notes dependent on payments to be received on such member loans.”²
5. The Notes are issued in series and each series is associated with a specific loan made to a borrower member.
6. An investor may purchase Notes in amounts as little as twenty-five dollars. The Notes so purchased may or may not reflect the entire debt related to the corresponding member loan.
7. If an investor does not purchase a Note in an amount equal to the entire corresponding member loan, other investor(s) are able to purchase Notes equal to parts or the whole of the remaining balance of the member loan.
8. The return on investment as to each series of notes is dependent on the payment of principal and interest made by the borrower member specific to the loan which underlies that series of the Notes.
9. LendingClub will pay principal and interest on each Note only up to the principal and interest payments received by LendingClub from the borrower member less the 1.00% service charge LendingClub retains. “If a borrower member fails to make any payments

¹ LendingClub Prospectus, November 28, 2012, pg. 1 (received by the Division March 4, 2013).

² *Id.*

on the corresponding member loan related to your Note, you will not receive any payments on your Note.”³

10. Therefore, the risk associated with each series of Notes is unique to that series and is dependent upon the underlying borrower member’s repayment of the loan.
11. The Notes are securities as that term is defined in the Act.
12. LendingClub initially registered the Notes with the Division on October 15, 2008.
13. LendingClub renewed that registration with the Division in 2009, making the registration effective through October 15, 2010.
14. LendingClub failed to renew the registration with the Division in 2010, thus making the Notes unregistered in South Carolina as of October 16, 2010.
15. In 2011, LendingClub filed for registration with the Division and was registered effective April, 7, 2011.
16. During the period between October 15, 2010, and April 7, 2011, (the “First Registration Lapse”) LendingClub issued 5,783 Notes to one hundred and eleven (111) South Carolina residents for a total investment of \$230,975.00.
17. LendingClub failed to renew or register with the Division in 2012, making the Notes unregistered in South Carolina as of April 8, 2012.
18. LendingClub filed for registration with the Division on March 6, 2013, but that registration never became effective.
19. During the period after April 7, 2012, (the “Second Registration Lapse”), LendingClub issued 104,971 Notes to four hundred and sixty-eight (468) South Carolina residents for a total investment of \$3,513,750.00.

³ *Id.* at 13.

20. During the First Registration Lapse and the Second Registration Lapse combined (the “Unregistered Period”), LendingClub issued 110,754 Notes to four hundred eighty six (486) South Carolina residents for a total investment of \$3,744,725.00.
21. During the Unregistered Period, the Notes were not federal covered securities, exempt from registration, or registered.
22. Every sale of a Note to a South Carolina citizen during the Unregistered Period constituted the sale of security in this State which was not federal covered, exempt from registration, or registered in this violation of the Act, specifically S.C. Code Ann. §35-1-301.

WHEREAS, the Respondent acknowledges its desire to resolve this matter by Consent Order rather than by formal hearing before the Securities Commissioner; and

WHEREAS, the Respondent admits the jurisdictional allegations herein but otherwise neither admits nor denies any violations of the Act; and

WHEREAS, the Securities Commissioner finds the investor protections and remedies in this Consent Order both appropriate and in the public interest for the protection of investors and the capital markets of the State of South Carolina;

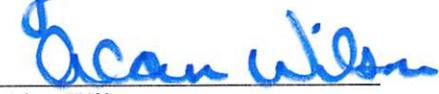
NOW, THEREFORE, IT IS HEREBY ORDERED, and the Respondent expressly consents and agrees that:

- A. The Respondent will immediately cease and desist from violating the Act; and
- B. The Respondent will pay a civil penalty in an amount equal to one hundred fifty thousand dollars (\$150,000) within thirty days of the execution of this order.

Upon execution by the Securities Commissioner, this Order resolves Administrative Proceeding 14004 as it relates to the Respondent.

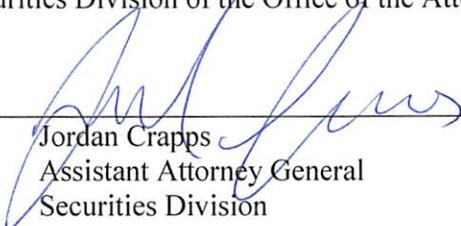
The parties to this Order agree the Order does not and should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to any investor(s), (iii) action of any kind in any type of bankruptcy proceeding(s), or (iv) other causes of action which may result from any activity of the Respondent not detailed above or which may hereafter arise.

IT IS SO ORDERED this 6TH day of July, 2015.

By: 
Alan Wilson
Securities Commissioner
State of South Carolina

WE CONSENT:

Securities Division of the Office of the Attorney General:

By: 
Jordan Crapps
Assistant Attorney General
Securities Division

Date: 7/2/2015

Respondent LendingClub Corporation:

By: 
Jason Altieri
General Counsel

Date: _____