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Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	CFL LICENSE NO.: 605-4305
)	
THE COMMISSIONER OF FINANCIAL)	CONSENT ORDER
PROTECTION AND INNOVATION,)	
)	
Complainant,)	
v.)	
)	
FRANCODOLLAR, LLC,)	
)	
Respondent.)	
)	
)	

This Consent Order is entered into between the Acting Commissioner of Financial Protection and Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department) and Respondent Francodollar, LLC (Francodollar) and is made with respect to the following facts:

I.

RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of lending under the California Financing Law, commencing at Cal. Fin. Code §§ 22000 – 22780.1 (CFL).

1 B. Francodollar's principal place of business is 307 Main Street, Suite 201, Watsonville,
2 California 95076.

3 C. Efrain Vaca is the President-CEO of Francodollar and is authorized to enter into this
4 Consent Order on Francodollar's behalf.

5 D. Francodollar was issued a CFL lending license on November 29, 2010, which was
6 then reinstated on April 27, 2020.

7 E. On or around September 5, 2022, the Commissioner commenced a regulatory
8 examination of the books and records of Francodollar pursuant to California Financial Code section
9 22701 of the CFL covering the period from May 1, 2019 through April 30, 2022 (Regulatory Exam).

10 F. The Regulatory Exam disclosed that for loans made on or after January 1, 2020,
11 Francodollar charged rates that exceeded the maximum rate allowed for loans greater than or equal
12 to \$2,500.00 but less than \$10,000.00, in violation of California Financial Code section 22304.5(a).

13 G. Therefore, on June 9, 2023, the Department directed Francodollar to review all open
14 loans and all loans that were paid off subsequent to April 27, 2020, to identify consumer loans in
15 which the rate of charge exceeded the maximum rate allowed under California Financial Code
16 section 22304.5 (Loan Report), and to refund all overcharges.

17 H. On or around July 31, 2024, Francodollar submitted the Loan Report. However, the
18 Loan Report contained multiple discrepancies that did not match loan documents and inaccurate
19 calculations of the permissible annual percentage rate (APR) and other discrepancies. Therefore, the
20 Department directed Francodollar to revise the Loan Report. Between July 2024 and September
21 2024 Francodollar submitted multiple revisions to the Loan Report.

22 I. On September 30, 2024, Francodollar submitted a revised Loan Report that disclosed
23 565 loans out of a total of 1006 loans with discrepancies and/or incorrect calculations of the
24 permissible APR.

25 J. The Regulatory Examination disclosed that for at least two loans that were paid off
26 before the third installment date, Francodollar received charges exceeding the APR applied to the
27 unpaid principal balance based on the number of days actually elapsed, in violation of California
28 Financial Code section 22308.

1 K. On February 14, 2025, Francodollar resubmitted a Loan Report covering the period of
2 April 27, 2020 through June 27, 2024, that again contained discrepancies and/or incorrect
3 calculations of the permissible APR in violation of California Financial Code sections 22304.5 and
4 22308 (Final Loan Report).

5 L. Francodollar's failure to provide an accurate Final Loan Report prevented them from
6 issuing refunds to borrowers who were overcharged interest.

7 M. The Commissioner finds that entering into this Consent Order is in the public interest
8 and consistent with the purposes fairly intended by the policies and provisions of the CFL.

9 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
10 forth herein, the parties agree as follows:

11 II.

12 TERMS AND CONDITIONS

13 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
14 Paragraphs F through L above in a manner that avoids the expense of a hearing and other possible
15 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
16 policies, and provisions of the CFL.

17 2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section
18 22712(a), Francodollar is hereby ordered to desist and refrain from the violations cited herein
19 including California Financial Code sections 22304.5 and 22308. This desist and refrain order is
20 final and effective from the effective date of this Consent Order, as defined in Paragraph 27
21 (Effective Date).

22 3. Independent Audits Regarding Interest Rate Calculations. Francodollar shall engage
23 at its own expense an independent third-party auditor (Auditor) to submit an accurate Loan Report to
24 the Department. After confirmation of an accurate Loan Report, Francodollar shall make refunds as
25 further described in Paragraph 4 below. In addition, the Auditor will review Francodollar's loans
26 regarding interest rate calculations in compliance with California Financial Code sections 22304.5
27 and 22308 on a semi-quarterly basis as follows:

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i. The Auditor shall be an independent certified public accountant, certified public accounting firm, or compliance auditing firm approved by the Department. The Department shall not unreasonably withhold approval of Francodollar's selection of an Auditor;

ii. Francodollar shall contract with the Auditor for the services described herein within 30 days of the Effective Date of this Consent Order as defined in Paragraph 27;

iii. The Auditor shall submit a revised Final Loan Report covering the period of April 27, 2020 through June 27, 2024, to the Department by no later than October 15, 2025;

iv. The Department shall review the revised Final Loan Report from the Auditor for accuracy by no later than November 19, 2025, and Francodollar shall make appropriate refunds to borrowers as further described in Paragraph 4 below;

v. Following the Department's approval of the revised Final Loan Report, the Auditor shall submit to the Department additional Audit Reports based upon its review of Francodollar's loan originations for four consecutive review periods (Review Period(s)) as follows:

vi. First Review Period. The first Audit Report shall cover all loans originated by Francodollar from June 28, 2024 through August 31, 2025, and shall be submitted to the Department by no later than January 31, 2026;

vii. Second Review Period. The second Audit Report shall cover all loans originated by Francodollar from September 1, 2025 through December 31, 2025, and shall be submitted to the Department by no later than April 1, 2026;

viii. Third Review Period. The third Audit Report shall cover all loans originated by Francodollar from January 1, 2026 through June 30, 2026, and shall be submitted to the Department by no later than September 30, 2026;

ix. Fourth Review Period. The fourth Audit Report shall cover all loans originated by Francodollar from July 1, 2026 through October 1, 2026, and shall be submitted to the Department by no later than December 1, 2026;

x. Audit Report Requirements for Each Review Period. Each Audit Report shall include the total number of loans within the Review Period, and at least the following:

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a) For each loan reviewed: loan number, originated date, maturity date, borrower's name, loan status, loan amount, amount financed, APR charged, permissible APR, Overcharged/Undercharged, APR disclosed on contract, months, number of payments, actual number of payments, actual years, interest charged, correct interest, difference, refund amount, and date refunded;

b) The number of loans in which Francodollar overcharged borrowers interest in violation of California Financial Code sections 22304.5, 22305, 22250, and 22308 (Interest Overcharge(s)). The Auditor shall conduct this analysis in accordance with standards satisfactory to the Department. For purposes of calculating the number of Interest Overcharges, the Auditor shall include any loan that Francodollar cannot timely provide adequate documentation of compliance within 14 days of the Auditor's request. The Auditor shall exclude any loan where Francodollar issued the borrower a refund equal to or exceeding the amount of the overcharge within 30 days of the disbursement date of the transaction;

c) The number of loans where the Auditor found interest overcharges, but where Francodollar issued the borrower a refund equal to or exceeding the amount of the overcharge within 30 days of the disbursement date of the transaction;

d) Identification of any refund payment that has been returned or remains outstanding for loans in the prior Review Period;

e) Documentation evidencing any refund.

4. Payment of Refunds. Francodollar shall make refunds to borrowers for interest overcharges in violation of California Financial Code sections 22304.5, 22305, 22250, and 22308 as follows:

a) By no later than December 3, 2025, pursuant to the Auditor's revised Final Loan Report that has been reviewed by the Department for accuracy, refunds for each loan overcharged interest during the period of April 27, 2020 through June 27, 2024 shall be mailed to each borrower at their last known address on record with the following notice:

As a result of a Consent Order entered into with the California Department of Financial Protection and Innovation and Francodollar, LLC, you are being provided with a refund in the amount of \$X.XX. If you have any questions, please contact us at

1 Francodollar@gmail.com, Francodollar, LLC, 307 Main Street,
2 Suite 201, Watsonville, California 95076.

3 b) Francodollar shall submit documentation to the Department evidencing the
4 refund and notice mailed to the borrower by no later than December 10, 2025;

5 c) Francodollar shall escheat any unclaimed or undeliverable refund amount(s)
6 to the California State Controller's Office within the period provided by the Unclaimed Property
7 Law (Cal. Code Civ. Proc. §§ 1500 – 1582).

8 5. Training. Francodollar and all persons employed by Francodollar to assist in
9 originating or servicing of loans shall complete training regarding compliance with California
10 Financial Code sections 22304.5, 22305, 22250, and 22308 and the calculation of APR and interest
11 rates. Francodollar must obtain prior approval of the instructors or providers of the training by no
12 later than October 15, 2025. Francodollar shall submit proof of attendance of the training by no later
13 than January 5, 2026.

14 6. Penalty. Francodollar shall pay a penalty in the amount of \$30,000.00 for the
15 violations set forth in Paragraph F through L as stated in (a) – (l) below. The penalty payments shall
16 be made payable in the form of a cashier's check or Automated Clearing House deposit to the
17 Department of Financial Protection and Innovation and transmitted to the attention of Accounting –
18 Litigation, at the Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300,
19 Sacramento, California 95811. Notice of each payment shall be concurrently sent to Sophia C. Kim
20 via e-mail at: Sophia.Kim@dfpi.ca.gov.

- 21 a) \$2,500.00 due by no later than three business days after the Effective Date;
22 b) \$2,500.00 due by no later than October 1, 2025;
23 c) \$2,500.00 due by no later than November 3, 2025;
24 d) \$2,500.00 due by no later than December 1, 2025;
25 e) \$2,500.00 due by no later than January 5, 2026;
26 f) \$2,500.00 due by no later than February 2, 2026;
27 g) \$2,500.00 due by no later than March 2, 2026;
28 h) \$2,500.00 due by no later than April 1, 2026;
i) \$2,500.00 due by no later than May 1, 2026;

- j) \$2,500.00 due by no later than June 1, 2026;
- k) \$2,500.00 due by no later than July 1, 2026; and
- l) \$2,500.00 due by no later than August 3, 2026.

7. Investigative Costs. Francodollar shall pay the Commissioner's investigative costs representing outstanding regulatory examination fees in the amount of \$1,640.83 by no later than 30 days after the Effective Date of this Consent Order as defined in Paragraph 27.

8. Waiver of Hearing Rights. Francodollar acknowledges that the Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement action on the charges contained in this Consent Order. Francodollar hereby waives the right to any hearings, and to any reconsiderations, appeal, or other right to review which may be afforded pursuant to the CFL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law. Francodollar further expressly waives any requirement for the filing of an Accusation pursuant to California Government Code section 11415.60(b). By waiving such rights, Francodollar effectively consents to this Consent Order and Desist and Refrain Order becoming final.

9. Failure to Comply with Consent Order. Francodollar agrees that if it fails to substantially comply with the terms of this Consent Order, the Commissioner may, in addition to all other available remedies he may invoke under the CFL, deny any application and/or summarily suspend or revoke any license granted by the Commissioner to Francodollar until Francodollar is in compliance. Francodollar waives any notice and hearing rights to contest such denial or summary suspension or revocation which may be afforded under the CFL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

10. Information Willfully Withheld or Misrepresented. This Consent Order may be revoked and the Commissioner may pursue any and all remedies available under law against Francodollar if the Commissioner discovers that Francodollar knowingly or willfully withheld or misrepresented information used for and relied upon in this Consent Order.

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1 11. Future Actions by Commissioner. If Francodollar fails to substantially comply with
2 any terms of the Consent Order, the Commissioner may institute proceedings for any and all
3 violations otherwise resolved under this Consent Order. The Commissioner reserves the right to
4 bring any future actions against Francodollar, or any of their partners, owners, officers, shareholders,
5 directors, employees or successors for any and all unknown violations of the CFL and California
6 Financial Code.

7 12. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
8 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
9 administrative, civil or criminal brought by that agency against Francodollar or any other person
10 based upon any of the activities alleged in this matter or otherwise.

11 13. Headings. The headings to the paragraphs of this Consent Order are inserted for
12 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
13 the provisions hereof.

14 14. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
15 interest.

16 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
17 Consent Order it has relied solely on the statements set forth herein and the advice of its own
18 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
19 Order it has placed no reliance on any statement, representation, or promise of any other party, or
20 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
21 person or entity to make any statement, representation or disclosure of anything whatsoever. The
22 parties have included this clause: (1) to preclude any claim that any party was in any way
23 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
24 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

25 16. No Presumption Against Drafting Party. Each party acknowledges that it has had the
26 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
27 intend that no presumption for or against the drafting party will apply in construing any part of this
28 Consent Order. The parties waive the benefit of California Civil Code section 1654 as amended or

1 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
2 language of a contract should be interpreted most strongly against the party that caused the
3 uncertainty to exist.

4 17. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
5 has received independent advice from its attorney(s) and/or representatives with respect to the
6 advisability of executing this Consent Order.

7 18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
8 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
9 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
10 provision. No waiver by either party of any breach of, or of compliance with, any condition or
11 provision of this Consent Order by the other party will be considered a waiver of any other condition
12 or provision or of the same condition or provision at another time.

13 19. Full Integration. This Consent Order is the final written expression and the complete
14 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
15 between the parties with respect to the subject matter hereof, and supersedes all prior or
16 contemporaneous agreements, negotiations, representations, understandings, and discussions
17 between and among the parties, their respective representatives, and any other person or entity, with
18 respect to the subject matter covered hereby.

19 20. Governing Law. This Consent Order shall be construed and enforced in accordance
20 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
21 court in California, administrative or otherwise, best suited to handle any action or proceeding under
22 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
23 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

24 21. Counterparts. This Consent Order may be executed in one or more separate
25 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
26 together constitute a single document.

27 22. Effect Upon Future Proceedings. If Francodollar applies for any license, permit or
28 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future

1 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
 2 admitted solely for the purpose of such application(s) or enforcement proceeding(s) by the
 3 Commissioner.

4 23. Voluntary Agreement. Francodollar enters into this Consent Order voluntarily and
 5 without coercion and acknowledge that no promises, threats or assurances have been made by the
 6 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
 7 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
 8 without any duress or undue influence of any kind from any source.

9 24. Notice. Any notice required under this Consent Order shall be provided to each party
 10 at the following addresses:

11 To Francodollar: Francodollar, LLC
 12 Attn: Efrain Vaca, President-CEO
 13 307 Main Street, Suite 201
 14 Watsonville, California 95076
 15 Francodollar@gmail.com

16 To the Commissioner: Sophia C. Kim, Senior Counsel
 17 Department of Financial Protection and Innovation
 18 320 West 4th Street, Suite 750
 19 Los Angeles, California 90013
 20 Sophia.Kim@dfpi.ca.gov

21 25. Signatures. A fax or electronic mail signature shall be deemed the same as an
 22 original signature.

23 26. Public Record. Francodollar hereby acknowledges that this Consent Order is and will
 24 be a matter of public record.

25 27. Effective Date. This Consent Order shall become final and effective when signed by
 26 all parties and delivered by the Commissioner's counsel via e-mail to Francodollar at
 27 Francodollar@gmail.com.
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1 28. Authority to Sign. Each signatory hereto covenants that he/she possesses all
2 necessary capacity and authority to sign and enter into this Consent Order and undertake the
3 obligations set forth herein.

4 Dated: September 22, 2025
5 Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



6 By _____
7 MARY ANN SMITH
8 Deputy Commissioner
9 Enforcement Division
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13 Dated: September 19, 2025

FRANCODOLLAR, LLC

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15 By _____
16 Efrain Vaca, President-CEO
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