

MARY ANN SMITH
Deputy Commissioner
BORYANA ARSOVA
Assistant Chief Counsel
KELLY SUK (State Bar No. 301757)
Senior Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 823-3458
Kelly.Suk@dfpi.ca.gov

Attorneys for Complainant

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

In the Matter of:)	NMLS ID NO.: 2324575
)	
THE COMMISSIONER OF FINANCIAL)	CONSENT ORDER
PROTECTION AND INNOVATION,)	
)	
Complainant,)	
)	
v.)	
)	
STRATUS FINANCIAL, LLC,)	
)	
Respondent.)	
)	
)	

The Commissioner of Financial Protection and Innovation (Commissioner) and Stratus Financial, LLC (Stratus) enter into this Consent Order (the Consent Order) with respect to the following facts:

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I.**RECITALS**

A. The Commissioner has jurisdiction over the licensing and regulation of student loan servicing in this state under the Student Loan Servicing Act (SLSA) (Fin. Code, § 28100 et seq.) and Title 10 of the California Code of Regulations (CCR) (Cal. Code Regs., § 2032 et seq.).

B. At all relevant times herein, Stratus is and was a California limited liability company with its principal place of business at 2901 W. Coast Highway, Suite 200, Newport Beach, California 92663.

C. Anthony Geraci is Stratus's Chief Executive Officer and Co-Founder and, as such, is authorized to enter into the Consent Order on behalf of Stratus.

D. Starting July 1, 2018, the SLSA became effective and requires that all persons engaged in the business of servicing student loans in California be licensed, with limited exceptions.

E. At all relevant times herein, Stratus did not hold any license issued by the Commissioner under the authority of the SLSA.

F. In response to an inquiry, Stratus informed the Commissioner that from 2021 through the present, Stratus serviced student loans in California. As such, the Commissioner finds that Stratus violated Financial Code section 28102, subdivision (a) by engaging in the business of servicing student loans in this state without first obtaining a license from the Commissioner.

G. On February 19, 2025, Stratus voluntarily submitted a student loan servicing application to the Department under the name of Stratus's subsidiary, Prestige Servicing Company, LLC.

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

II.**TERMS AND CONDITIONS**

1. Purpose. This Consent Order resolves the issues before the Commissioner in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of

1 the SLSA.

2 2. Desist and Refrain Order. Pursuant to Financial Code section 28160, Stratus
3 Financial LLC is hereby ordered to desist and refrain from engaging in the business of servicing
4 student loans in California without first obtaining a license, in violation of Financial Code section
5 28102, subdivision (a).

6 3. Penalty. Stratus shall pay a penalty of \$20,000.00 to the Commissioner (Penalty), in
7 full within 60 days of the Effective Date, as defined in Paragraph 23 below (Effective Date). The
8 payment shall be made in the following installments: the first installment of \$10,000.00 shall be due
9 within 7 days of the Effective Date; the second installment of \$5,000.00 shall be due within 30 days
10 of the Effective Date; and the third installment of \$5,000.00 shall be due within 60 days of the
11 Effective Date. The Penalty installments shall be made payable in the form of a cashier's check or
12 Automated Clearing House deposit to the Department of Financial Protection and Innovation
13 (Department) and transmitted to the attention of Accounting – Litigation, at the Department, 651
14 Bannon Street, Sacramento, California 95811. Notice of such installment payment must be
15 concurrently sent to Kelly Suk, Senior Counsel, Department of Financial Protection and Innovation,
16 Enforcement Division, at kelly.suk@dfpi.ca.gov .

17 4. License Application. Stratus has submitted an application (Application) for a license
18 under the SLSA. In consideration for Stratus's agreeing to the terms of this Consent Order the
19 Commissioner will timely review and consider any future or pending Application and this Consent
20 Order, or the facts, circumstances, or consensual resolution thereof, will not be the sole basis of any
21 action to deny such Application. Stratus further agrees that Stratus must satisfy the Administrative
22 Penalty provision in paragraph 3 prior to the Commissioner's granting of the license application
23 described in this paragraph.

24 5. Waiver of Hearing Rights. Stratus acknowledges the Commissioner is ready, willing,
25 and able to proceed with the filing of an administrative enforcement action on the charges contained
26 in this Consent Order. Stratus hereby waives the right to any hearings, and to any reconsideration,
27 appeal, or other right to review which may be afforded pursuant to the SLSA, the California
28 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of

law. Stratus further expressly waives any requirement for the filing of an Accusation pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Stratus effectively consents to this Consent Order and Desist and Refrain Order becoming final.

6. Full and Final Settlement. The parties hereby acknowledge and agree that this Consent Order is intended to constitute a full, final, and complete resolution and settlement of the SLSA violation alleged by the Commissioner in Paragraph F above, and that no further proceedings or actions will be brought by the Commissioner in connection with its findings under the SLSA or any other provision of law, excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order.

7. Information Willfully Withheld. Notwithstanding paragraph 12, this Consent Order may be revoked and the Commissioner may pursue any and all remedies available under law against Stratus if the Commissioner discovers that Stratus knowingly or willfully withheld or misrepresented material information.

8. Future Actions by Commissioner. If Stratus fails to comply with any terms of the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any future actions permitted by law against Stratus, or any of its partners, owners, officers, shareholders, directors, employees, or successors for any and all unknown violations of the SLSA.

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

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

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

12. Reliance. Each of the parties represents, warrants, and agrees that in executing this

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

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

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

21 15. Governing Law. This Consent Order will be governed by and construed in
22 accordance with California law.

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

26 17. Effect Upon Future Proceedings. If Stratus applies for any license, permit or
27 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
28 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be

admitted for the purpose of such application(s) or enforcement proceeding(s).

18. Third Parties. This Consent Order does not create or give rise to any private rights or remedies against Stratus, create any liability for Stratus, or limit defenses of Stratus for any person or entity not a party to this Consent Order.

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

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

To Stratus Financial, LLC:

Stratus Financial, LLC
Don Ho, General Counsel
Don.Ho@stratus.finance

To the Commissioner:

Kelly Suk, Senior Counsel
Department of Financial Protection and Innovation
Kelly.suk@dfpi.ca.gov

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

22. Public Record. Stratus acknowledges that the Consent Order and Desist and Refrain Order shall be matters of public record.

23. Effective Date. This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner's agent via e-mail to Don Ho at don.ho@stratus.finance.

24. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: April 4, 2025

KHALIL MOHSENI
Commissioner of Financial Protection & Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: April 4, 2025

STRATUS FINANCIAL, LLC

By _____
ANTHONY GERACI
CEO