

1 MARY ANN SMITH
Deputy Commissioner
2 AMY J. WINN
Assistant Chief Counsel
3 MELISSA ACEVEDO (State Bar No. 344375)
Senior Counsel
4 Department of Financial Protection and Innovation
5 1455 Frazee Road, Suite 315
6 San Diego, California 92108
Telephone: (619) 347-0014
7 Facsimile: (619) 209-3612

8 Attorneys for Complainant
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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:)
13) SETTLEMENT AGREEMENT
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
15)
16 Complainant,)
v.)
17)
CAPITALJ, INC. D/B/A JUNO,)
18)
19 Respondent.)
20)
21)

22 This Settlement Agreement is entered into between the Commissioner of Financial
23 Protection and Innovation (Commissioner), and Respondent CapitalJ, Inc. dba Juno (Juno)
24 (collectively, the Parties).

25 I.

26 **RECITALS**

27 A. The Commissioner has jurisdiction over the regulation of persons engaged in
28 offering or providing a consumer financial product or service in California and their affiliated

1 service providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin.
2 Code § 90000 et seq.).

3 B. At all relevant times, Juno is and was a Delaware corporation with its principal
4 office in San Francisco, California.

5 C. Juno maintains a website at <https://juno.finance/>.

6 D. Juno operates as a financial technology company that has, at all relevant
7 times, offered California consumers high-interest personal checking accounts that can be managed
8 through its mobile application (App).

9 E. Beginning in at least 2020 and at all relevant times herein, Juno partnered with
10 Synapse Financial Technologies, Inc. (Synapse), a fintech company that acted as a middleman
11 between Juno and Evolve Bank and Trust (Evolve Bank), an Arkansas based bank with deposits
12 insured by the Federal Deposit Insurance Corporation (FDIC). Synapse used proprietary software
13 to transmit funds from Juno customer accounts to Evolve Bank.

14 F. Beginning in at least 2020, Juno advertised to consumers on its website that it
15 provided a “cutting-edge digital platform” that served as a “complete bank replacement” for various
16 financial services.

17 G. Juno marketed its services to California consumers as safe and secure, representing
18 to consumers that their cash deposits were insured by the FDIC. The Juno website advertised this
19 through statements such as:

20 1. “We have got you covered[.] Your money is safe and covered against
21 all risks[.] Your money is FDIC insured up to \$250,000 through our partner bank.”

22 2. “Use Our Checking Account to Achieve Your Financial Goals . . .
23 Deposits up to \$250,000 are FDIC insured through our banking partner Evolve Bank
24 and Trust. Grow your idle money faster with our checking account and start saving .
25 . . .”.

26 3. “A complete bank replacement . . . FDIC Insured[.] USD cash
27 balances are covered by FDIC insurance up to \$250,000.”
28

1 4. “Juno offers a free FDIC-Insured checking account that returns more
2 on your deposits than traditional alternatives.”

3 5. “Cash deposits are FDIC insured up to \$250,000 through our partner,
4 Evolve Bank and Trust, Member FDIC.”

5 H. California consumers with Juno checking accounts were issued Evolve Bank routing
6 and account numbers.

7 I. On or around October 2023, Juno informed checking account holders that Juno
8 would be transitioning its checking accounts to cash management accounts with Synapse
9 Brokerage.

10 J. Juno customers retained their pre-transition Evolve Bank routing and account
11 numbers after the transition to cash management accounts.

12 K. Juno represented to customers that the cash management accounts would continue to
13 be protected by FDIC insurance.

14 L. On April 22, 2024, six months after the transition to cash management accounts,
15 Synapse filed for Chapter 11 bankruptcy and fintechs partnered with Synapse, including Juno, lost
16 access to Synapse systems for ledgering and transaction reconciliation. Ultimately, tens of
17 thousands of consumers nationwide lost access to over \$200 million in funds held in accounts with
18 dozens of fintech companies like Juno.

19 M. On May 11, 2024, at least 3,657 California based Juno customers lost access to the
20 funds in their Juno cash management accounts. These losses totaled at least \$6 million dollars.

21 N. Based upon the above findings, the Commissioner makes the following conclusions:

22 O. Juno engaged in deposit-taking activities, transmitting or exchanging funds, or
23 otherwise acted as a custodian of funds or any financial instrument for use by or on behalf of a
24 consumer in California as defined in Financial Code section 90005(k)(4), and is therefore a covered
25 person or service provider under the CCFPL.

26 P. Juno’s advertising and marketing to consumers as described above, including but not
27 limited to Juno’s misrepresentations that any FDIC coverage of cash deposits in Juno accounts
28 meant the funds were “safe,” and “covered against all risks,” constitute deceptive acts or practices

1 with respect to a consumer financial product or service in violation of Financial Code section
2 90003(a)(1).

3 Q. On August 27, 2025, the Commissioner issued a Desist and Refrain Order, Claim for
4 Ancillary Relief; and Notice of Intent to Issue Order Assessing Administrative Penalties based on
5 the violations described above. Juno timely requested a hearing on this matter.

6 R. It is the intention of the Parties to this Settlement Agreement to resolve this matter
7 without the necessity of a hearing or other litigation.

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

10 **II.**

11 **TERMS AND CONDITIONS**

12 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner in
13 a manner that avoids the expense of a hearing and other possible court proceedings, protects
14 consumers, is in the public interest and consistent with the purposes fairly intended by the policies
15 and provisions of the CCFPL.

16 2. Desist and Refrain Order. Pursuant to California Financial Code section
17 90015(d)(1), Juno hereby agrees to desist and refrain from engaging in, or proposing to engage in,
18 deceptive acts or practices in violation of Financial Code section 90003(a)(1), including
19 representing that FDIC coverage of cash deposits means that funds are protected against risks.

20 3. Penalty. Pursuant to California Financial Code section 90012(c), the Department
21 imposes a penalty of \$9,142,500.00. Pursuant to Financial Code section 90012(c)(1)(C), the
22 Department will suspend the \$9,142,500.00 penalty upon timely satisfaction of the obligations in
23 Paragraphs 4 through 7 of this Settlement Agreement. Failure to timely satisfy any material
24 obligation in Paragraphs 4 through 7 of this Settlement Agreement will result in the issuance of a
25 Final Order by the Commissioner imposing penalties in the amount of \$9,142,500.00, which is
26 immediately due and owing, including interest at the rate of 12% per annum, compounded daily
27 beginning from the Effective Date of this Settlement Agreement.

28 4. Notice to Customers. Within sixty (60) calendar days of the Effective Date of this

1 Settlement Agreement, Juno shall send the attached Notice to Customers (Notice) to all California
2 customers with positive cash balances in their Juno accounts as of May 17, 2024, using the
3 following procedures. Juno shall: (a) send the Notice by mail to each customer’s last known
4 address; (b) send the Notice via electronic mail (email) to each customer’s last known email
5 address; (c) conspicuously publish the Notice on Juno’s website (<https://juno.finance/>) and on all
6 social media accounts (e.g., Twitter, Facebook, Reddit, LinkedIn, and Instagram); and (d) send a
7 link to the Juno’s website page displaying the Notice to each customer’s last known phone number
8 via text message.

9 5. Customer Account Information. Within sixty (60) calendar days of the Effective
10 Date of this Settlement Agreement, Juno shall send individual account information and statements
11 for the month of May 2024 to each California customer with a positive cash balance in their Juno
12 account as of May 17, 2024, using the following procedures. Juno shall: (a) send the information
13 by mail to each customer’s last known address; and (b) send the information via email to each
14 customer’s last known email address.

15 6. Point of Contact. Juno shall designate a point of contact responsible for responding
16 to customer questions for a period of 120 days after the Effective Date of this Settlement
17 Agreement. Contact information for the designated point of contact shall be prominently displayed
18 in the Notice.

19 7. Declaration of Measures Taken. Within 120 days of the Effective Date of this
20 Settlement Agreement, Juno shall have its authorized representative submit a declaration under
21 penalty of perjury describing Juno’s compliance with the procedures set out in Paragraphs 4, 5, and
22 6. The declaration shall be sent to Melissa Acevedo, Senior Counsel, Department of Financial
23 Protection and Innovation, via electronic mail at Melissa.Acevedo@dfpi.ca.gov.

24 8. Full and Final Settlement. The Parties hereby acknowledge and agree that this
25 Settlement Agreement is intended to constitute a full, final, and complete resolution of the findings,
26 and that no further proceedings or actions will be brought by the Commissioner in connection with
27 the findings under the CCFPL or any other provision of law, excepting therefrom any proceeding to
28 enforce compliance with the terms of this Settlement Agreement.

1 9. Waiver of Hearing Rights. Juno acknowledges that the Commissioner is ready,
2 willing, and able to proceed with the administrative action described above in Paragraph Q. Juno
3 hereby waives the right to any hearings, and to any reconsideration, appeal, or other right to review
4 that may be afforded pursuant to the CCFPL, the California Administrative Procedure Act, the
5 California Code of Civil Procedure, or any other provision of law.

6 10. Failure to Comply with Settlement Agreement. Juno agrees that, if it fails to comply
7 with any term of this Settlement Agreement, the Commissioner may avail himself of any remedies
8 he has under the CCFPL, or any other provision of law. Juno agrees and acknowledges that it is
9 aware of the provisions of Financial Code section 90015(g) that authorize the Commissioner to
10 obtain a civil judgment against Juno based on a final order of the Commissioner. Juno agrees not to
11 contest entry of any civil judgment issued under sections 90015(g) of the CCFPL. Juno further
12 acknowledges and agrees to accept service of all documents via registered mail through Chief
13 Executive Officer, Varun Deshpande at 1390 Market Street, San Francisco, California 94102 or at
14 another address if Juno promptly notifies the Commissioner in writing of the new address.

15 11. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
16 successors in interest.

17 12. Information Willfully Withheld or Misrepresented. This Settlement Agreement may
18 be rescinded by the Commissioner, and the Commissioner may pursue any and all remedies
19 available under the law against Juno, if the Commissioner discovers that Juno has knowingly or
20 willfully withheld or misrepresented material information, including but not limited to Juno’s
21 financial statements and supporting documents submitted to the Department of Financial Protection
22 and Innovation.

23 13. Third Party Actions. This Settlement Agreement does not create any private rights
24 or remedies against Juno, create any liability for Juno, or limit defenses of Juno for any person or
25 entity not a party to this Settlement Agreement.

26 14. Commissioner’s Duties. Nothing in this Settlement Agreement limits the
27 Commissioner’s ability to assist any other government agency with any action brought by that
28 agency (city, county, state or federal) with any prosecution, administrative, civil, and/or criminal

1 brought by any such agency against Juno, including an action based on any of the acts, omissions,
2 events described in this Settlement Agreement.

3 15. Independent Legal Advice. Each party represents that it has received independent
4 advice from its counsel or representatives regarding the advisability of executing this Settlement
5 Agreement.

6 16. Reliance. Subject to Paragraph 12 above, each of the Parties represents, warrants,
7 and agrees that in executing this Settlement Agreement that it has relied solely on the statements set
8 forth herein and the advice of its own counsel. Subject to Paragraph 12 above, each of the Parties
9 further represents, warrants, and agrees that in executing this Settlement Agreement it has placed no
10 reliance on any statement, representation, or promise of any other party, or any other person or entity
11 not expressly set forth herein, or upon the failure of any party or any other person or entity to make
12 any statement, representation or disclosure of anything whatsoever. The Parties have included this
13 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
14 Settlement Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret,
15 supplement, or contradict the terms of this Settlement Agreement.

16 17. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
17 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
18 Parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
19 any other provision. No waiver by either party of any breach of, or of compliance with, any
20 condition or provision of this Settlement Agreement by the other party will be considered a waiver
21 of any other condition or provision or of the same condition or provision at another time.

22 18. Full Integration. This Settlement Agreement is the final written expression and the
23 complete and exclusive statement of all the agreements, conditions, promises, representations, and
24 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or
25 contemporaneous agreements, negotiations, representations, understandings, and discussions
26 between and among the Parties, their respective representatives, and any other person or entity, with
27 respect to the subject matter covered hereby.

28 19. No Presumption Against Drafting Party. Each party acknowledges that it has had the

1 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
2 Parties intend that no presumption for or against the drafting party will apply in construing any part
3 of this Settlement Agreement. The Parties waive the benefit of Civil Code section 1654 as amended
4 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
5 language of a contract should be interpreted most strongly against the party that caused the
6 uncertainty to exist.

7 20. Headings. The headings in this Settlement Agreement are for convenience only and
8 will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

9 21. Governing Law. This Settlement Agreement will be governed by and construed in
10 accordance with the laws of the State of California.

11 22. Authority to Sign. Each party represents that the person signing this Settlement
12 Agreement on its behalf has the authority and capacity to do so.

13 23. Voluntary Agreement. Juno enters into this Settlement Agreement voluntarily and
14 without coercion and acknowledges that no promises, threats or assurances have been made by the
15 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each
16 represent and acknowledge that he, she, or it is executing this Settlement Agreement completely
17 voluntarily and without any duress or undue influence of any kind from any source.

18 24. Notice. Any notice required under this Settlement Agreement shall be provided to
19 each party at the following addresses.

20 (a) To Juno:

21 Melissa Richards, Of Counsel
22 Buchalter LLP
23 425 Market Street, Suite 2900
24 San Francisco, CA 94105-2491
25 mrichards@buchalter.com

26 (b) To the Commissioner:

27 Melissa Acevedo, Senior Counsel
28 Department of Financial Protection and Innovation
1455 Frazee Road, Suite 315
San Diego, California 92108
Melissa.Acevedo@dfpi.ca.gov

1 25. Counterparts. This Settlement Agreement may be executed in any number of
2 counterparts, each of which will be deemed an original when executed. All counterparts together
3 will be deemed to constitute a single document.

4 26. Signatures. A signature delivered by facsimile or email will be deemed an original
5 signature.

6 27. Public Record. Juno acknowledge that this Settlement Agreement is and will be a
7 matter of public record.

8 28. Effective Date. This Settlement Agreement will become effective on the date it is
9 signed by all Parties and delivered by the Commissioner’s agent to Juno by electronic mail through
10 Melissa Richards at mrichards@buchalter.com.

11 29. Authority to Sign. Each signatory hereto covenants that he or she possesses all
12 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the
13 obligations set forth herein.

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1 IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement
2 Agreement on the dates set forth opposite their respective signatures.

3
4 KC MOHSENI
5 Commissioner of Financial Protection and Innovation

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7 Dated: May 15, 2026

8 By: _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division

12
13 Dated: May 8, 2026

14 CAPITALJ, INC. dba JUNO
15
16 By: _____
17 VARUN DESHPANDE, CEO
18 CapitalJ, Inc., a Delaware Corporation

19
20 Approved as to form and content:

21
22 Dated: May 11, 2026

23 By: _____
24 MELISSA RICHARDS
25 Buchalter LLP