

1 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
2 OF THE STATE OF CALIFORNIA  
3

4 In the Matter of: ) DCLA LICENSE No.: 10567-99  
5 )  
6 THE COMMISSIONER OF FINANCIAL ) SETTLEMENT AGREEMENT  
7 PROTECTION AND INNOVATION, )  
8 )  
9 Complainant. )  
10 )  
11 v. )  
12 )  
13 UNIVERSAL ACCEPTANCE )  
14 CORPORATION, )  
15 )  
16 Respondent. )  
17 )  
18

19 This Settlement Agreement is entered into between the Commissioner of Financial Protection  
20 and Innovation (Complainant or Commissioner) and Respondent Universal Acceptance Corporation  
21 (Respondent) and is made with respect to the following facts:  
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23 **I.**

24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons  
26 engaged in the business of debt collection in California under the Debt Collection Licensing Act  
27 (DCLA) (Cal. Fin. Code §§ 100000 – 100025) and the rules and regulations promulgated thereunder.  
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29 B. The Commissioner also has jurisdiction over the regulation of persons who engage,  
30 have engaged, and propose to engage in offering or providing a consumer financial product or  
31 service in California and affiliated service providers under the California Consumer Financial  
32 Protection Law (CCFPL) (Cal. Fin. Code §§ 90000 – 90019).  
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34 C. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, or propose to  
35 engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer  
36 financial products or services.” (Cal. Fin. Code § 90003(a)(1)).  
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1           D.     A “covered person” is “[a]ny person that engages in offering or providing a consumer  
2 financial product or service to a resident of this state.” (Cal. Fin. Code § 90005(f)(1)).

3           E.     A “consumer financial product or service” is generally a “financial product or service  
4 that is delivered, offered, or provided for use by consumers primarily for personal, family, or  
5 household purposes.” (Cal. Fin. Code § 90005(e)(1)).

6           F.     “Financial product or service” includes, among other things, “[c]ollecting debt  
7 relating to a consumer financial product or service.” (Cal. Fin. Code § 90005(k)(10)).

8           G.     “Financial product or service” also includes, among other things, [e]xtending credit  
9 and servicing extensions of credit, including acquiring, purchasing, selling, brokering extensions of  
10 credit, other than solely extending commercial credit to a person who originates consumer credit  
11 transactions. (Cal. Fin. Code § 90005(k)(1)).

12           H.     Respondent is a California corporation.

13           I.     Respondent has a principal place of business at 4903 Auburn Blvd., Sacramento,  
14 California 95841.

15           J.     Respondent is licensed as a debt collector under the DCLA with license number  
16 10567-99.

17           K.     Respondent collects debt related to a consumer financial product or service, including  
18 but not limited to extensions of credit. (Cal Fin. Code § 90005(k)(1), (10)).

19           L.     Because Respondent collects debts relating to consumer financial products and  
20 services, they are a covered person under the CCFPL (Cal Fin. Code § 90005(f)).

21           M.     California Financial Code section 100021(a) requires all DCLA licensees to file an  
22 annual report with the Commissioner, on or before March 15, that contains all relevant information  
23 that the Commissioner reasonably requires concerning the business and operations conducted by the  
24 licensee in the state during the preceding calendar year, including information regarding collection  
25 activity (Annual Report).

26           N.     Pursuant to California Financial Code section 100015(a), the Commissioner is  
27 authorized to establish relationships or contracts with the Nationwide Multistate Licensing System  
28

& Registry (NMLS)<sup>1</sup> to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this division. Pursuant to California Code of Regulations, title 10, section 1850.16, the licensee shall establish an email for communications from the Commissioner (Designated Email Address). The email account shall be established and monitored in accordance with the requirements in California Financial Code section 331.5. By registering the Designated Email Address, the applicant consents to receive information from the Commissioner at that email address, including, but not limited to, assessment notices.

O. On September 16, 2024, the Commissioner instructed all DCLA licensees via their Designated Email Address to verify that their current Designated Email Address meets the requirements and to update as needed.

P. On October 17, 2024, the Commissioner notified all DCLA licensees who had not yet provided a Designated Email Address via the email listed under Primary Company Contact on NMLS that they must provide a Designated Email Address immediately.

Q. On December 6, 2024, the Commissioner provided all DCLA licensees via the Designated Email Address with a sample of the Annual Report stating that detailed filing instructions and access to the Annual Report will be provided on January 2, 2025. The email reminded DCLA licensees that if they were licensed as of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March 15, 2025.

R. Also on December 6, 2024, the Commissioner again notified all DCLA licensees who had not yet provided a Designated Email Address via the email listed under Primary Company Contact on NMLS that they must provide a Designated Email Address immediately. The Commissioner also provided these licensees with a sample of the Annual Report stating that detailed filing instructions and access to the Annual Report will be provided on January 2, 2025, but they will not receive detailed filing instructions and access to the annual report without a Designated Email Address. The email reminded the DCLA licensees that if they were licensed as

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<sup>1</sup> NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for non-depository, financial services licensing or registration in participating agencies, including the District of Columbia and U.S. Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In these jurisdictions, NMLS is the official system for companies and individuals seeking to apply for, amend, renew and surrender licenses authorities managed through NMLS.

1 of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March  
2 15, 2025.

3 S. On January 3, 2025, the Commissioner notified all DCLA licensees via the  
4 Designated Email Address that the Annual Report was accessible via the DFPI Self-Service Portal  
5 and provided instructions for filing the Annual Report.

6 T. On February 14, 2025, the Commissioner again reminded all DCLA licensees via the  
7 Designated Email Address that all DCLA licensees must file the Annual Report by the deadline of  
8 March 15, 2025.

9 U. On March 3, 2025, the Commissioner gave a final reminder to all DCLA licensees  
10 via the Designated Email Address that all DCLA licensees who were licensed as of December 31,  
11 2024, must file the Annual Report by the deadline of March 15, 2025, stating that failure to file the  
12 Annual Report may subject the DCLA licensee to suspension, revocation, penalties, or other  
13 enforcement action.

14 V. As of March 16, 2025, Respondent, who was licensed as of July 27, 2023, had not  
15 filed its Annual Report with the Commissioner, in violation of California Financial Code section  
16 100021(a). As a result, on March 18, 2025, the Commissioner issued a Notice of Failure to File  
17 Annual Report by March 15, 2025 (Failure Notice) to Respondent via certified mail and the email  
18 listed under Company Contact on NMLS notifying Respondent that the Department will issue a  
19 Desist and Refrain Order and Order Assessing Penalties under California Financial Code section  
20 90015(c) and (d)(1) and will also move to revoke Respondent's DCLA license under California  
21 Financial Code sections 100003(b)(3) and 100003.3(b)(1) if the Annual Report is not filed before  
22 March 28, 2025.

23 W. On or around March 25, 2025, or seven calendar days after the Failure Notice,  
24 Respondent filed its Annual Report with the Commissioner, in violation of California Financial  
25 Code section 100021(a). Pursuant to California Financial Code section 90012(b)(8), a penalty may  
26 be imposed for any unlawful act or practice with respect to consumer financial products or services  
27 in violation of California Financial Code sections 90003(a)(1), (a)(2), and 100021(a).

28 X. Therefore, on April 1, 2025, the Commissioner issued a Desist and Refrain Order and

1 Order Assessing Penalties pursuant to California Financial Code section 90015(c) and (d)(1) (Desist  
2 and Refrain Order), for DCLA license number 10567-99.

3 Y. On May 1, 2025, Respondent notified the Commissioner that Respondent wished to  
4 resolve the Desist and Refrain Order without a hearing.

5 Z. The Commissioner finds that entering into this Settlement Agreement is in the public  
6 interest and consistent with the purposes fairly intended by the policies and provisions of the CCFPL  
7 and DCLA.

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. The parties intend to resolve this matter for the purpose of judicial economy  
13 and expediency and without the uncertainty and expense of a hearing or other litigation.

14 2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section  
15 90015(d), Respondent is hereby ordered to desist and refrain from engaging in unlawful acts and  
16 practices with respect to consumer financial products or services in violation of the California  
17 Financial Code section 90003(a)(1). Respondent is also hereby ordered to desist and refrain from  
18 offering or providing to a consumer any financial product or service not in conformity with the  
19 following consumer financial laws, including California Financial Code section 100021(a) of the  
20 DCLA, in violation of California Financial Code section 90003(a)(2). This desist and refrain order is  
21 final and effective from the effective date of this Settlement Agreement, as defined in paragraph 25  
22 (Effective Date).

23 3. Administrative Penalty. Respondent shall pay an administrative penalty of \$3,500.00  
24 by May 16, 2025. The penalty shall be invoiced through NMLS. The NMLS payment instruction  
25 will reference 10567-99.

26 4. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph  
27 3, the Commissioner may summarily suspend Respondent from engaging in business under its  
28 DCLA license until it provides evidence of compliance to the Commissioner's satisfaction.

1 Respondent hereby waives any notice or hearing rights afforded under the Administrative Procedure  
2 Act, including California Government Code section 11415.60(b); Code of Civil Procedure; or any  
3 other provision of law to contest the summary suspension contemplated by this paragraph.

4       5. Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner  
5 is ready, willing, and able to proceed with a hearing on the Desist and Refrain Order on the charges  
6 contained therein. Respondent hereby waives the right to any hearings, and to any reconsideration,  
7 appeal, or other right to review which may be afforded pursuant to the CCFPL, DCLA, the  
8 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
9 provision of law.

10       6. Full and Final Resolution. The parties hereby acknowledge and agree that this  
11 Settlement Agreement is intended to constitute a full and final resolution of the violations described  
12 herein, and that no further proceedings or actions will be brought by the Commissioner in connection  
13 with these matters except under the CCFPL or DCLA or any other provision of law, excepting  
14 therefrom any proceeding to enforce compliance with the terms of this Settlement Agreement.

15       7. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to  
16 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other  
17 available remedies it may invoke under the CCFPL or DCLA, summarily suspend/revoke the DCLA  
18 license of Respondent until Respondent is in compliance. Respondent waives any notice and  
19 hearing rights to contest such summary suspensions/revocations which may be afforded under the  
20 CCFPL, DCLA, the California Administrative Procedure Act, the California Code of Civil  
21 Procedure, or any other provision of law in connection therewith.

22       8. Information Willfully Withheld or Misrepresented. This Settlement Agreement may  
23 be revoked, and the Commissioner may pursue any and all remedies available under law against  
24 Respondent if the Commissioner discovers that Respondent knowingly or willfully withheld or  
25 misrepresented information used for and relied upon in this Settlement Agreement.

26       9. Future Actions by Commissioner. If Respondent fails to comply with the terms of the  
27 Settlement Agreement, the Commissioner may institute proceedings for any and all violations  
28 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring

1 any future actions against Respondent, or any of its partners, owners, officers, shareholders,  
2 directors, employees, or successors for any and all unknown violations of the CCFPL or DCLA.

3 10. Assisting Other Agencies. Nothing in this Settlement Agreement limits the  
4 Commissioner's ability to assist any other government agency (city, county, state or federal) with  
5 any prosecution, administrative, civil or criminal action brought by that agency against Respondent  
6 or any other person based on any of the activities alleged in this matter or otherwise.

7 11. No Presumption Against Drafter. Each party acknowledges that it has had the  
8 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the  
9 parties intend no presumption for or against the drafting party will apply in construing any part of  
10 this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or  
11 corresponding provisions of any successor statute, which provide that in cases of uncertainty,  
12 language of a contract should be interpreted most strongly against the party who caused the  
13 uncertainty to exist.

14 12. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
15 has had the opportunity to receive independent advice from an attorney(s) and/or representatives  
16 with respect to the advisability of executing this Settlement Agreement.

17 13. Headings. The headings to the paragraphs of this Settlement Agreement are inserted  
18 for convenience only and will not be deemed a part hereof or affect the construction or interpretation  
19 of the provisions hereof.

20 14. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or  
21 successors in interest.

22 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this  
23 Settlement Agreement, it has relied solely on the statements set forth herein and the advice of its  
24 own legal counsel, if represented. Each of the parties further represents, warrants, and agrees that in  
25 executing this Settlement Agreement it has placed no reliance on any statement, representation, or  
26 promise of any other party, or any other person or entity not expressly set forth herein, or upon the  
27 failure of any party or any other person or entity to make any statement, representation, or disclosure  
28 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any

1 party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude  
2 the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
3 Settlement Agreement.

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

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

16       18.    Governing Law. This Settlement Agreement will be governed by and construed in  
17 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court  
18 and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
19 forum to the maintenance of such action or proceeding in such court.

20       19.    Counterparts. This Settlement Agreement may be executed in one or more separate  
21 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
22 together constitute a single document.

23       20.    Effect Upon Future Proceedings. If Respondent applies for any license, permit or  
24 qualification under the Commissioner's current jurisdiction, or are the subject of any future action by  
25 the Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be  
26 admitted for the purpose of such application(s) or enforcement proceeding(s).

27       21.    Voluntary Agreement. Respondent hereby enters into this Settlement Agreement  
28 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 Settlement Agreement. The parties each represent and acknowledge that he, she or it is executing this Settlement Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

22. Notice. Any notice required under this Settlement Agreement shall be provided to each party at the following addresses:

To Respondent: Universal Acceptance Corporation  
Donald Griffin, President  
4903 Auburn Blvd  
Sacramento, CA 95841  
[don@carhop.com](mailto:don@carhop.com)

To the Commissioner: Melinda Lee, Deputy Commissioner  
Department of Financial Protection and Innovation  
651 Bannon Street, Suite 300  
Sacramento, CA 95811  
Melinda.Lee@dfpi.ca.gov

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

24. Public Record. Respondent hereby acknowledges that the Settlement Agreement is and will be a matter of public record.

25. Effective Date. This Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Respondent at the following email address: [don@carhop.com](mailto:don@carhop.com).

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

Dated: May 6, 2025  
Sacramento, California



**KHALIL MOHSENI**  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MELINDA LEE  
Deputy Commissioner  
Debt Collection Licensing Act

Dated: May 6, 2025

## UNIVERSAL ACCEPTANCE CORPORATION

By Donald Griffin, President