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

11 In the Matter of:) CFL LICENSE NO.: 603-I560
12 THE COMMISSIONER OF FINANCIAL) CONSENT ORDER
13 PROTECTION AND INNOVATION,)
14 Complainant,)
15 v.)
16 ADVANCE PAY DAY PLUS, INC.,)
17 Respondent.)
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25 This Consent Order is entered into between the Commissioner of Financial Protection and
26 Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department)
27 and Respondent Advance Pay Day Plus, Inc. (APDP) and is made with respect to the following
28 facts:

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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).

B. APDP’s principal place of business is 724 Highland Ave., Suite B, National City, CA 91950.

C. Salam Mahmood is the President of APDP and is authorized to enter into this Consent Order on APDP’s behalf.

D. On or around September 22, 2022, the Commissioner commenced a regulatory examination of the books and records of APDP pursuant to California Financial Code section 22701 of the CFL covering the period from July 1, 2019 through June 30, 2022 (Regulatory Exam).

E. The Regulatory Exam disclosed the following:

a. During a three year-period from 2019 through 2022 APDP did not have a net worth of at least \$25,000.00, in violation of California Financial Code section 22104(a);

b. APDP did not keep and use in its business, books, accounts, and records that will enable the Commissioner to determine if it was complying with the CFL and regulations promulgated thereunder, specifically by failing to provide bank reconciliations and associated bank statements for all cash accounts, failing to provide proof of disbursement records and loan payment histories that included loan numbers, and providing payment histories that were not complete, particularly missing payment amounts and payment dates, in violation of California Financial Code sections 22156 and 22157, and California Code of Regulations, title 10, sections 1425, 1426, and 1427;

c. APDP submitted inaccurate CFL annual reports for the three year-periods of 2020 through 2022, specifically reporting zero loans made in 2020 and 2021, despite the Regulatory Examination’s disclosing that in 2020 APDP made five loans totaling \$6,723.00, and in 2021 APDP made 24 loans totaling \$23,086.66; and the financial statements submitted by APDP during the Regulatory Examination reported significantly higher assets, net worth, income, and expenses, and

1 significantly lower profits and losses than its 2022 CFL annual report, in violation of California
2 Financial Code sections 22159 and 22170(a);

3 d. For at least sixteen loans APDP charged interest exceeding the maximum
4 interest rate allowed under California Financial Code sections 22303 and 22304;

5 e. For at least eight loans APDP charged administrative fees exceeding the
6 maximum permitted and for at least one refinanced loan APDP charged more than one
7 administrative fee before one year had elapsed since receiving the previous administrative fee, in
8 violation of California Financial Code section 22305;

9 f. For at least two loans APDP collected the first installment payment less than
10 15 days from the date the loan was made, in violation of California Financial Code section 22307(b);
11 and

12 g. On at least two occasions APDP, using its CFL license and its California
13 Deferred Deposit Transaction Law (CDDTL) law license number 1004109, funded more than one
14 loan to the same borrower at the same time, thereby splitting up or dividing the loan with another
15 licensee, by issuing one loan to the borrower under its CFL license and one loan under its CDDTL
16 license, and thereby obtaining multiple administrative fees from the borrowers, in violation of
17 California Financial Code section 22327.

18 F. On or around July 25, 2025, before the Regulatory Examination was complete
19 pursuant to California Financial Code section 22701 and before APDP had responded to all the
20 Department's requests pursuant to its regulatory examination authority, APDP requested to surrender
21 its CFL license. However, surrender was not possible at that time due to the pending Regulatory
22 Examination.

23 G. On or around August 5, 2025, the Department directed APDP to issue refunds to
24 borrowers who were overcharged interest in violation of California Financial Code sections 22303
25 and 22304, totaling at least \$5,059.40, and to borrowers who were overcharged administrative fees
26 in violation of California Financial Code section 22305, totaling at least \$585.00.

27 H. On February 24, 2026, Respondent notified the Commissioner that without admitting
28 or denying the facts and conclusions of law contained herein, Respondent wished to resolve these

1 matters via this Consent Order. The Commissioner finds that entering into this Consent Order is in
2 the public interest and consistent with the purposes fairly intended by the policies and provisions of
3 the CFL.

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

6 **II.**

7 **TERMS AND CONDITIONS**

8 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
9 Paragraphs E through G above in a manner that avoids the expense of a hearing and other possible
10 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
11 policies, and provisions of the CFL.

12 2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section
13 22712(a), APDP is hereby ordered to desist and refrain from the violations cited herein including
14 California Financial Code sections 22104, 22170, 22303, 22304, 22305, 22307, 22156, 22157, and
15 22327, and California Code of Regulations, title 10, sections 1425, 1426, and 1427. This desist and
16 refrain order is final and effective from the effective date of this Consent Order, as defined in
17 Paragraph 26 (Effective Date).

18 3. Payment of Refunds. APDP shall make refunds to borrowers for interest overcharges
19 in violation of California Financial Code sections 22303 and 22304, and refunds to borrowers for
20 administrative fee overcharges in violation of California Financial Code section 22305, totaling
21 \$5,644.40. On or around November 22, 2025, APDP submitted to the Department proof of refunds
22 made to the overcharged borrowers, totaling \$5,644.40.

23 4. Penalty. APDP shall pay a penalty in the amount of \$5,000.00 for the violations set
24 forth in Paragraph E through G as stated in (a) – (h) below. The penalty payments shall be made
25 payable in the form of an Automated Clearing House (ACH), company check, cashier’s check, or
26 money order to the Department of Financial Protection and Innovation and transmitted to the
27 attention of Accounting – Litigation, Department of Financial Protection and Innovation, 651
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1 Bannan Street, Suite 300, Sacramento, California 95811. Notice of each payment must be
2 concurrently sent to Sophia C. Kim via e-mail at: Sophia.Kim@dfpi.ca.gov.

- 3 a) \$500.00 due by no later than three business days after the Effective Date;
- 4 b) \$500.00 due by no later than April 1, 2026;
- 5 c) \$500.00 due by no later than May 1, 2026;
- 6 d) \$500.00 due by no later than June 1, 2026;
- 7 e) \$500.00 due by no later than July 1, 2026;
- 8 f) \$500.00 due by no later than August 3, 2026 ;
- 9 g) \$500.00 due by no later than September 1, 2026;
- 10 h) \$500.00 due by no later than October 1, 2026;
- 11 i) \$500.00 due by no later than November 2, 2026; and
- 12 j) \$500.00 due by no later than December 1, 2026.

13 5. Investigative Costs. APDP shall pay the Commissioner’s investigative costs
14 representing outstanding regulatory examination fees in the amount of \$9,010.00 as stated in (a)
15 through (i) below. Each Investigative Costs payment shall be made payable in the form of an
16 Automated Clearing House (ACH), company check, cashier’s check, or money order to the
17 Department of Financial Protection and Innovation and transmitted to the attention of Accounting –
18 Litigation, Department of Financial Protection and Innovation, 651 Bannan Street, Suite 300,
19 Sacramento, California 95811. Notice of each payment must be concurrently sent to Sophia C. Kim
20 via e-mail at: Sophia.Kim@dfpi.ca.gov.

- 21 a) \$1,000.00 due by no later than three business days after the Effective Date;
- 22 b) \$1,000.00 due by no later than April 1, 2026;
- 23 c) \$1,000.00 due by no later than May 1, 2026;
- 24 d) \$1,000.00 due by no later than June 1, 2026;
- 25 e) \$1,000.00 due by no later than July 1, 2026;
- 26 f) \$1,000.00 due by no later than August 3, 2026;
- 27 g) \$1,000.00 due by no later than September 1, 2026;
- 28 h) \$1,000.00 due by no later than October 1, 2026; and

- 1 i) \$1,000.00 due by no later than November 2, 2026; and
- 2 j) \$10,00 due by no later than December 1, 2026.

3 6. License Surrender. In consideration of APDP’s compliance with this Consent Order,
4 including but not limited to Paragraphs 4 and 5 above, the Department agrees it will not unduly
5 delay processing of APDP’s CFL license surrender request for license number 603-I560.

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

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

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

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

3 11. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
4 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
5 administrative, civil or criminal brought by that agency against APDP or any other person based
6 upon any of the activities alleged in this matter or otherwise.

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

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

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

21 15. No Presumption Against Drafting Party. Each party acknowledges that it has had the
22 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
23 intend that no presumption for or against the drafting party will apply in construing any part of this
24 Consent Order. The parties waive the benefit of California Civil Code section 1654 as amended or
25 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
26 language of a contract should be interpreted most strongly against the party that caused the
27 uncertainty to exist.

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

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

10 18. Full Integration. This Consent Order is the final written expression and the complete
11 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
12 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 19. Governing Law. This Consent Order shall be construed and enforced in accordance
17 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
18 court in California, administrative or otherwise, best suited to handle any action or proceeding under
19 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
20 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

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

24 21. Effect Upon Future Proceedings. If APDP applies for any license, permit or
25 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
26 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
27 admitted solely for the purpose of such application(s) or enforcement proceeding(s) by the
28 Commissioner.

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27. 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: February 26, 2026
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: February 26, 2026

ADVANCE PAY DAY PLUS, INC.

By _____
Salam Mahmood, President