

1 MARY ANN SMITH  
Deputy Commissioner  
2 DANIEL P. O’DONNELL  
Assistant Chief Counsel  
3 PAUL YEE (State Bar No. 142381)  
Senior Counsel  
4 Department of Business Oversight  
One Sansome Street, Suite 600  
5 San Francisco, California 94104-4448  
Telephone: (415) 972-8544  
6 Facsimile: (415) 972-8500

7 Attorneys for the Complainant

8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) Premium Finance Company License No.: 2504  
12 THE COMMISSIONER OF BUSINESS ) **CONSENT ORDER**  
OVERSIGHT, )  
13 )  
14 Complainant, )  
15 v. )  
16 P1 FINANCE OF CALIFORNIA, )  
17 Respondent. )  
18 )

19  
20 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), and P1  
21 Finance of California (P1FC), formerly known as US Premium Finance, Inc., enter into this  
22 Consent Order based on the following facts:

23 **I.**  
24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
26 entities engaged in the business of lending pursuant to the Finance Code section 18000 et seq.

27 B. P1 FINANCE OF CALIFORNIA is in the business of premium financing which is  
28 defined under Financial Code section 18563 as “the activities of a company engaged in the business

1 of advancing money directly or indirectly to an insurer or producer at the request of an insured  
2 pursuant to the terms of a premium finance agreement . . .”

3 C. The Commissioner issued P1FC, then known as USPFI, a license pursuant to  
4 Financial Code section 18115 et seq. on August 25, 2014. P1FC’s principle place of business is  
5 2800 Technology Parkway, Suite 100, Norcross, Georgia 30092.

6 D. On April 17, 2018 USPFI filed a name change with the Secretary of State for  
7 California changing its name to P1 Finance of California (P1FC). P1FC remained a premium  
8 finance company with the same principle place of business. William J. Villari is the President and a  
9 control person for P1FC. As such, William J. Villari is authorized to enter into this Consent Order  
10 on behalf of P1FC.

11 E. Financial Code section 18405(a) states that “on or before March 15 of each year,  
12 each industrial loan company shall file with the commissioner an audit report containing audited  
13 financial statements together with such other relevant information as the commissioner may require  
14 relating to the company and to each place of business of the company. The audited financial  
15 statements shall include a balance sheet of the company prepared as of the last day of the preceding  
16 calendar year and statements of income and of surplus for each calendar year.”

17 F. Financial Code section 18412 states that “Each report required under this article  
18 shall be filed with the commissioner at the time that the commissioner by regulation or order may  
19 require. If any industrial loan company fails to make any report required by this article at the time  
20 specified by the commissioner, or fails to include in that report any matter required by this article or  
21 by the commissioner, the commissioner shall assess and collect a penalty of one hundred dollars  
22 (\$100) for each day which that report is delayed or withheld by the failure or neglect of that  
23 industrial loan company.”

24 G. P1FC then named as USPFI, violated Financial Code section 18412 by failing to file  
25 an audited financial report with the Commissioner for the calendar year ending on December 31,  
26 2017, by the deadline of March 15, 2018. That annual report was filed with the Department of  
27 Business Oversight (DBO) on August 21, 2018, 157 days late. Here, the maximum penalty for  
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1 filing a report required by Financial Code section 18405(a) 157 days late is \$15,700.00 (157 x  
2 \$100).

3 H. In or about October 2018, the Enforcement Division of the Department of Business  
4 Oversight (DBO) made contact with P1FC and informed it that P1FC had failed to file an audited  
5 financial report as required and that DBO would commence an administrative action to issue a civil  
6 penalty in accordance with Finance Code section 18412 (Enforcement Action).

7 I. Upon being contacted by the DBO and informed of the DBO's intent to bring the  
8 Enforcement Action, P1FC responded by indicating that P1FC would fully cooperate with the  
9 Commissioner and if necessary, pay a certain amount in penalties. In mitigation, P1FC explained  
10 that its annual report for 2017 had been filed after the due date as the result of the sale of the  
11 business of USPFL, which P1FC understood relieved it from reporting with respect to that business.

12 J. It is the intention and desire of the parties to resolve this matter without the necessity  
13 of a hearing and/or other litigation.

14 K. The Commissioner finds that this action is appropriate, in the public interest, and  
15 consistent with the purposes fairly intended by the policy and provisions of this law.

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

## 18 II.

### 19 TERMS AND CONDITIONS

20 1. Purpose. The purpose of this Order is to resolve the DBO's Enforcement Action in a  
21 manner is in the public interest, protects consumers, and is consistent with the purposes, policies,  
22 and provisions of applicable law.

23 2. Finality of Order. P1FC hereby agrees to comply with the Commissioner's Penalty  
24 Order and, further, stipulates that this Order is hereby deemed a final and enforceable order issued  
25 pursuant to the Commissioner's authority under California Financial Code sections 18412.

26 3. Penalty Order. P1FC shall pay a penalty of \$1,500.00 for the above violation which  
27 shall be due within 10 calendar days after the effective date of this Order, as defined in paragraph  
28 10.

1           4.     Waiver of Hearing Rights. P1FC acknowledges that the Commissioner is ready,  
2 willing, and able to proceed with the filing of an administrative enforcement action on the charges  
3 contained in this Order, and P1FC hereby waives the right to a hearing and to any reconsideration,  
4 appeal, or other right to review which may be afforded pursuant to the Financial Code. P1FC  
5 further expressly waives any requirement for the filing of an Statement of Issues or Accusation that  
6 may be afforded by Government Code section 11415.60(b), the California Administrative Practice  
7 Act, the California Code of Civil Procedure, or any other provision of law; and by waiving such  
8 rights, P1FC effectively consents to this Order becoming final.

9           5.     Payment of Penalties. The payment of penalties shall be made in the form of a  
10 cashier's check or Automated Clearing House deposit to the "Department of Business Oversight"  
11 and transmitted to the attention of Accounting – Litigation, at the Department of Business  
12 Oversight, 1515 K Street, Suite 200, Sacramento, California 95814.

13           6.     Effect of Order on License. In consideration of P1FC's consent to this Order to  
14 pay penalties required by Paragraph 3 hereof, the Commissioner hereby agrees that except as set  
15 forth in this Order, no further action based solely on filing the report described in paragraph G  
16 herein late will be taken and this action does not affect the licensing status of P1FC.

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

18           8.     Independent Legal Advice. Each of the parties represents, warrants, and agrees  
19 that it has received independent advice from its attorney(s) and/or representatives with respect to  
20 the advisability of executing this Order.  
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22           9.     Voluntary Agreement. P1FC enters into this Order voluntarily and without  
23 coercion and acknowledges that no promises, threats or assurances have been made by the  
24 Commissioner or any officer, or agent thereof, about this Order.

25           10.    Effective Date. This Order shall not become effective until signed by all parties  
26 and delivered by the Commissioner's counsel by email to P1FCI's President, William J. Villari  
27 at the email address bvillari@p1finance.

28           11.    Public Record. Respondent acknowledges that this Order is a public record.

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

13. Authority to Execute. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Order.

14. Counterparts. This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. A fax or electronic mail signature shall be deemed the same as an original signature. Such counterparts shall together constitute and be one and the same instrument.

Dated: March 28, 2019

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: May 2, 2019

P1 FINANCE OF CALIFORNIA

By \_\_\_\_\_  
WILLIAM J. VILLARI  
President