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8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) CFL License No.: 603C721
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,) CONSENT ORDER
15 Complainant,)
16 v.)
17 ADIR FINANCIAL, LLC,)
18 Respondent.)
19

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21 The Commissioner of Business Oversight (Commissioner), and Adir Financial, LLC (Adir)
22 (collectively, the Parties), enter into this Consent Order with respect to the following facts:

23 **RECITALS**

24 A. The Department of Business Oversight (Department), through the Commissioner, has
25 jurisdiction over the licensing and regulation of persons and entities engaged in the business of
26 lending and/or brokering loans pursuant to the California Financing Law (Fin. Code, § 22000 et seq.)
27 (CFL).

28 B. Adir is a finance lender licensed by the Commissioner pursuant to the CFL with a license

1 number of 603C721 and a principal place of business located at 1605 W. Olympic Boulevard, Los
2 Angeles, California 90015.

3 C. During an examination of Adir commencing on January 12, 2016, the Department of Business
4 Oversight (Department) found that Adir:

- 5 i.) Made two or more loans to the same borrowers on the same day resulting in overcharges in
6 violation of Financial Code section (section) 22327;
- 7 ii.) May have required borrowers in connection with loans to use the money transfer services
8 of its affiliate, Curacao Financial, in violation of section 22312;
- 9 iii.) Conducted other business at the same lending location without the Commissioner’s
10 approval in violation of section 22154; and
- 11 iv.) Charged telephone fees to borrowers in violation of section 22306.

12 D. It is the intention and desire of the parties to resolve this Action without the necessity of a
13 hearing and/or other litigation and without admitting or denying any liability or wrongdoing.

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

16 **TERMS AND CONDITIONS**

17 1. Purpose. This Consent Order resolves the issues before the Commissioner concerning
18 the Commissioner’s findings in paragraph C, above, in a manner that avoids the expense of a hearing
19 and other possible court proceedings, protects consumers, is in the public interest, and is consistent
20 with the purposes, policies, and provisions of the CFL.

21 2. Desist and Refrain Order. Adir agrees that in accordance with section 22712, it will
22 desist and refrain from violating Financial Code sections 22327, 22312, 22154, and 22306.

23 3. Finality of Order. Adir agrees that the Desist and Refrain Order as described in
24 Paragraph 2 above is hereby deemed a final order.

25 4. Penalties. Adir agrees to pay \$25,000.00 in penalties (Penalties). These Penalties
26 shall be paid to the Commissioner within 30 days of the effective date of this Consent Order as
27 defined in paragraph 27. The payment shall be made payable in the form of a cashier’s check or
28 Automated Clearing House deposit to the “Department of Business Oversight,” and transmitted to the

1 attention of:

2 Attn: Accounting – Litigation
3 The Department of Business Oversight
4 1515 K Street, Suite 200
5 Sacramento, California 95814

6 Notice of payment shall be sent to:

7 Boryana Arsova, Counsel
8 Department of Business Oversight
9 Enforcement Division
10 1515 K Street, Suite 200
11 Sacramento, California 95814

12 In the event the payment due date falls on a weekend or holiday, the payment shall be due the
13 next business day.

14 5. Approval of Other Business: The Commissioner hereby acknowledges that Adir’s
15 request to conduct other business pursuant to section 22154 has been approved.

16 6. Approval of Policies, Procedures, Written Notice, and Computer Upgrades: The
17 Commissioner hereby acknowledges that Adir’s policies and procedures have been approved which,
18 at a minimum, explain and demonstrate how customers will receive advance notice of the voluntary
19 nature of the Adir loan contract and the Curacao money transfer service contract (including a written
20 notice approved by the Department) before entering into any such contracts with customers; how
21 every customer will fully complete, sign, and date the written notice in advance of the transactions;
22 and how copies of notices will be retained in the customers’ loan files for examination purposes. The
23 Commissioner also acknowledges that Adir implemented computer system upgrades to detect and
24 prevent two loans from being made to the same borrower on the same day.

25 7. Refunds/Credits to Borrowers: Adir shall refund or credit all overcharges relating to
26 two or more loans on the same day to borrowers of all loans in connection with money transfer
27 services made from January 1, 2013 to June 30, 2019. Adir shall also refund or credit all overcharges
28 relating to telephone fees charged to borrowers in connection with loans made from January 1, 2013
to June 30, 2019. Adir shall pay the refunds or credits for all these loans no later than 30 days after
the effective date of this Consent Order, as defined in Paragraph 27. Adir shall submit evidence of

1 all refund and credit payments acceptable to the Commissioner no later than 60 days after the
2 effective date of this Consent Order, as defined in Paragraph 27. This evidence must include sample
3 records sufficient to show mailing of refund checks to customers and transmittal of uncashed refund
4 checks to the California State Controller's Office (in accordance with the California Code of Civil
5 Procedure, section 1300 et seq.), loan balance reductions and, for assignees of borrowers or charged-
6 off loans assigned to outside collections, advisements of outstanding-balance reductions for each
7 loan, as applicable.

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

16 9. Full and Final Settlement: The Parties hereby acknowledge and agree that this
17 Consent Order is intended to constitute a full, final and complete resolution of the matters addressed
18 herein, and that no further proceedings or actions will be brought by the Commissioner in connection
19 with these matters under any other provision of law, excepting therefrom any proceeding to enforce
20 compliance with the terms of this Consent Order.

21 10. Failure to Comply with Consent Order. Adir agrees that if it fails to comply with the
22 terms of this Consent Order, the Commissioner may, in addition to all other available remedies it may
23 invoke under the CFL, summarily suspend/revoke the CFL license of Adir until Adir is in
24 compliance. Adir waives any notice and hearing rights to contest such summary suspensions which
25 may be afforded under the CFL, the California Administrative Procedure Act, the California Code of
26 Civil Procedure, or any other provision of law in connection therewith.

27 11. Information Willfully Withheld. This Consent Order may be revoked and the
28 Commissioner may pursue any and all remedies available under law against Adir if the

1 Commissioner discovers that Adir knowingly or willfully withheld information used for and relied
2 upon in this Consent Order.

3 12. Future Actions by Commissioner. If Adir fails to comply with any terms of the
4 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
5 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
6 against Adir, or any of its partners, owners, officers, shareholders, directors, employees or successors
7 for any and all unknown violations of the CFL.

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

12 14. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
13 has received or been advised to seek independent legal advice from its attorneys with respect to the
14 advisability of executing this Consent Order.

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

24 16. Full Integration. This Consent Order is the final written expression and the complete
25 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
26 between the Parties with respect to the subject matter hereof, and supersedes all discussions between
27 and among the Parties, their respective representatives, and any other person or entity, with respect to
28 the subject matter covered hereby.

1 17. No Presumption From Drafting. In that the Parties have had the opportunity to draft,
2 review and edit the language of this Consent Order, and no presumption for or against any party
3 arising out of drafting all or any part of this Consent Order will be applied in any action relating to,
4 connected to, or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil
5 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
6 language of a contract should be interpreted most strongly against the party who caused the
7 uncertainty to exist.

8 18. Voluntary Consent. Adir enters into this Consent Order voluntarily and without
9 coercion and acknowledges that no promises, threats or assurances have been made by the
10 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
11 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and without
12 any duress or undue influence of any kind from any source.

13 19. Modifications and Qualified Integration. No amendment, change or modification of
14 this Consent Order shall be valid or binding in any extent unless it is in writing and signed by all of
15 the parties affected by it.

16 20. Waiver. The waiver of any provision of this Consent Order shall not operate to waive
17 that provision in the future, or waive any other provision set forth herein, and any waiver, amendment
18 and/or change to the terms of this Consent Order must be in writing and signed by the parties affected
19 by it.

20 21. Successors in Interest. This Consent Order is binding on all heirs, assigns and/or
21 successors in interest.

22 22. Counterparts. This Consent Order may be executed in any number of counterparts by
23 the Parties, and when each party has signed and delivered at least one such counterpart to the other
24 party, each counterpart shall be deemed an original and taken together shall constitute one and the
25 same Consent Order.

26 23. Signatures. This Consent Order may be executed by facsimile or scanned signature,
27 and any such facsimile or scanned signature by any party hereto shall be deemed to be an original
28 signature and shall be binding on such party to the same extent as if such facsimile or scanned

1 signature were an original signature.

2 24. Governing Law. This Consent Order shall be construed and enforced in accordance
3 with and governed by California law.

4 25. Public Record. Adir hereby acknowledges that this Consent Order will be a matter of
5 public record.

6 26. Notice. Any notices required under this Consent Order shall be provided to each party
7 at the following addresses:

8 If to Respondent to: Adir Financial, LLC
9 Attn: Hector Perez, Director
10 1605 W. Olympic Boulevard
11 Los Angeles, California 90015

12 If to Complainant to: Department of Business Oversight
13 Attn: Boryana Arsova, Counsel
14 1515 K Street, Suite 200
15 Sacramento, California 95814

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1 27. Effective Date. This Consent Order shall not become effective until signed by all
2 parties and delivered to Adir by Department staff by emailing the signed Consent Order to Mauricio
3 Fux at mauriciof@icuracao.com.

4 28. Authority to Sign. Each party warrants and represents that such party is fully entitled
5 and duly authorized to enter into, sign and deliver this Consent Order. In particular, and without
6 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to
7 enter into the covenants, and undertake the obligations set forth herein.

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10 Dated: February 19, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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14 By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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16
17 Dated: January 21, 2020

ADIR FINANCIAL, LLC

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21 By: _____
RON AZARKMAN
Chief Executive Officer

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23 APPROVED AS TO FORM AND CONTENT:

24
25 Dated: January 21, 2020

By _____
MAURICIO FUX
General Counsel for Adir Financial, LLC