



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

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DFPI Sanctions Former PACE Solicitor Under California’s New Consumer Financial Protection Law

SACRAMENTO – The Department of Financial Protection and Innovation (DFPI) today permanently barred James Jacob Berry and any company he owns or controls from seeking future enrollment as a PACE solicitor’s agent or PACE solicitor, after finding that Berry and his three companies misled consumers by marketing their product as a “no-cost” government-funded program.

The companies, which include a former PACE solicitor disenrolled by its program administrator, would have fallen outside the regulatory oversight of the Department prior to the passage of the California Consumer Financial Protection Law (CCFPL), which took effect Jan. 1, 2021. Berry and his companies evaded PACE laws by using an unenrolled company to advertise and solicit consumers for PACE financing.

“The new law allows us to fill gaps in PACE regulation and oversight so we can better protect consumers from misinformation and outright lies,” said DFPI Commissioner Manuel P. Alvarez. “This action today shows our intent to vigorously protect Californians against improper PACE solicitors.”

The DFPI entered into a [consent order](#) with Berry and his companies: *Community Solar Inc.*, doing business as *Premier Community Construction*; *PACE Consulting Agency Inc.*, doing business as *The PACE Program of California*; and *PACE Marketing & Communications* after finding that Berry and his companies evaded PACE laws by using an unenrolled company to advertise and solicit consumers for PACE financing.

In addition to barring Berry, the DFPI ordered Berry and his companies to stop offering PACE financing to consumers and to stop using “PACE” in its business names, websites, marketing materials, or communications.

In the action against Berry and his companies, the DFPI found that *The PACE Program of California* offered and sold PACE financing to consumers without enrolling with a PACE program administrator. Berry and his companies also failed to provide clear and accurate information to consumers about how PACE financing works, and misled consumers about their relationships with public agencies, lenders, PACE program administrators, and each other.

As detailed in the DFPI's order, Berry and his companies are charged with misleading California consumers by engaging in unfair and deceptive marketing tactics that offered "no-cost" government-funded PACE projects. The order also outlines how Berry deceived homeowners by making it appear that *The PACE Program of California* was a California government agency or affiliate through its website and mailers to Los Angeles County and San Bernardino County homeowners.

Even though a PACE administrator disenrolled *Community Solar Inc.* and Berry last year, Berry continued to use the PACE name in his other business and on his company websites. Before the California Consumer Financial Protection Law went into effect, the DFPI did not have the authority to pursue actions against unenrolled individuals.

PACE is a financing program that allows homeowners to finance certain clean energy projects such as solar panels, water heaters, and windows. PACE financing is funded by private lenders and is secured by a lien on the property, but public agencies facilitate PACE financing by adding a special assessment to the homeowner's property tax. If the homeowner does not pay the special assessment, the lender can enforce the lien, including through foreclosure.

The DFPI licenses and regulates PACE program administrators, but because the DFPI is not authorized to license PACE solicitors and PACE solicitor agents, PACE customers should check to make sure that anyone offering them PACE financing is enrolled with a California-licensed program administrator by visiting the DFPI website at <https://dfpi.ca.gov/pace-program-administrators/>. Consumers should also ask the program administrator about the enrollment status of the solicitor and agent, and any complaints filed against them.

The DFPI continues to investigate fraudulent practices by those involved in PACE financing. If you currently have or have been offered PACE financing for your home improvement project and believe that you have been a victim of unfair, deceptive, or abusive acts or practices, please contact the DFPI at (866) 275-2677 or Ask.DFPI@dfpi.ca.gov. More information regarding PACE financing can be found at <https://dfpi.ca.gov/pace/>.

In addition to regulating PACE administrators, the DFPI licenses and regulates financial products and services, including state-chartered banks and credit unions, student loan servicers, commodities and investment advisers, money transmitters, the offer and sale of securities and franchises, broker-dealers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, debt collectors, rent-to-own contractors, credit repair companies, consumer credit reporting agencies, debt-relief companies, and more.

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