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7 Attorneys for Complainant

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

11 In the Matter of:)
12 THE COMMISSIONER OF FINANCIAL) CDDTL LICENSE No.: 100-0691
13 PROTECTION AND INNOVATION,)
14 Complainant,) CONSENT ORDER
15 v.)
16 FAST AUTO LOANS, INC.,)
17 Respondent.)

18
19 This Consent Order (Consent Order) is entered into by and between Fast Auto Loans, Inc
20 (FAL) and the Commissioner of Financial Protection and Innovation (Commissioner) (collectively
21 the Parties), and is made with respect to the following facts:
22

23 **I.**

24 **Recitals**

25 A. FAL is a corporation in good standing, duly formed and existing pursuant to the laws
26 of the State of California.

27 B. FAL is a deferred deposit transaction originator licensed by the Commissioner
28 pursuant to the California Deferred Deposit Transaction Law (Fin. Code, § 23000 et seq.) CDDTL.

1 FAL has its licensed location at 4939 East Kings Canyon Road, Fresno, California 93727 and its
2 corporate offices located 8601 Dunwoody Place, Suite 406, Atlanta, Georgia 30350.

3 C. Robert I. Reich is the President of FAL and is authorized to enter into this Consent
4 Order on behalf of FAL.

5 D. As a result of a regulatory examination of FAL commenced in June 2020, the
6 Commissioner found that FAL was (i) violating Financial Code section 23036, subdivision (f) by
7 collecting double or partial overpayments by accepting cash payments from customers at a branch
8 location while Automated Clearing House (ACH) transactions for payment in full were pending and
9 later cleared and (ii) violating Financial Code 23024 and California Code of Regulations, title 10,
10 section 2025 by failing to maintain a loan report that allowed the Commissioner to readily distinguish
11 between a refund and change given despite having been previously instructed to revise the loan report
12 regarding this issue. The regulatory examination found that no refunds were due as FAL refunded
13 overpayments to customers within 24 hours to 48 hours of the overcollection.

14 E. FAL neither admits nor denies that it has violated Financial Code sections 23036 and
15 23024 or California Code of Regulations, title 10, section 2025, but agrees to enter into this Consent
16 Order to resolve this amicably and without the necessity of a hearing or litigation.

17 F. As of April 2020, FAL ceased operations in California, originating no new loans and
18 engaging only in servicing outstanding loans.

19 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
20 contained herein, the Parties agree as follows:

21 **II.**

22 **Terms and Conditions**

23 1. Purpose. This Consent Order resolves the findings described in Paragraph D above
24 in a manner that avoids the expense of a hearing and other possible court proceedings, protects
25 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of
26 the CDDTL.

27 2. Finality of Consent Order. FAL agrees to comply with this Consent Order and
28 stipulates this Consent Order is hereby deemed final.

1 3. Investigative Fees. FAL shall pay investigative fees in the amount of \$12,500.00 to
2 the Commissioner (Fee) within 5 business days of the Effective Date, as defined in Paragraph 22
3 below (Effective Date). Payment should be made payable in the form of a cashier’s check or
4 Automated Clearing House deposit to the “Department of Financial Protection and Innovation” and
5 transmitted to the attention of: Accounting – Enforcement Division, Department of Financial
6 Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834. Notice of such
7 payment shall be forwarded to Judy L. Hartley, Senior Counsel, Department of Financial Protection
8 and Innovation, Enforcement Division, 320 West 4th Street, Suite 750, Los Angeles, California
9 90013.

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

18 5. License Surrender. The parties hereby agree that the remaining main office CDDTL
19 license of FAL shall be deemed surrendered upon completion of all the terms and conditions of this
20 Consent Order. FAL shall submit the original of its main office CDDTL license to the Commissioner
21 prior to the effectiveness of such surrender.

22 6. Future Remediation. FAL agrees that if FAL applies for a CDDTL license in the
23 future; FAL will comply with the provisions set forth below upon licensure unless and until it
24 receives prior written approval from the Commissioner to do otherwise.

25 a) Prepare and maintain written policies and procedures for verifying if any
26 online payment, check, ACH, or Remotely Created Check (RCC) is in process or cleared prior to
27 accepting a cash payment from a customer at a store;

28 b) Prepare and maintain written policies and procedures for notifying customers

1 that an online payment, check, ACH, or RCC is in process when a customer comes to a store to make
2 a cash payment;

3 c) Prepare and maintain written policies and procedures for having the customer
4 sign a consent if a customer determines to go through with a cash payment after having been
5 informed of a pending online payment, check, ACH, or RCC;

6 d) Maintain payment histories which include details of the ACH debit or RCC
7 date and date cleared;

8 e) Provide books and records to the Commissioner in a timely fashion during any
9 regulatory examination or otherwise;

10 f) Maintain a loan report that accurately discloses any change given to the
11 customer as change;

12 g) Train all California employees on the mandated procedures described above;
13 and

14 h) Conduct quarterly reviews to ensure employees are complying with the above.

15 7. Failure to Comply. FAL agrees that if it fails to comply with any provision of this
16 Consent Order, the Commissioner may, in addition to all other available remedies it may invoke
17 under the CDDTL, summarily revoke the CDDTL license. FAL waives any notice and hearing rights
18 to contest such summary revocation which may be afforded under the CDDTL, the California
19 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
20 in connection therewith.

21 8. Full and Final Settlement. The Parties hereby acknowledge and agree that this Consent
22 Order is intended to constitute a full, final, and complete resolution of the findings described herein,
23 and that no further proceedings or actions will be brought by the Commissioner in connection with
24 these matters under the CDDTL or any other provision of law, excepting therefrom any proceeding to
25 enforce compliance with the terms of this Consent Order.

26 9. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
27 interest.

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1 10. Third Parties Actions. This Consent Order does not create or give rise to any private
2 rights or remedies against FAL, create any liability for FAL, or limit defenses of FAL for any person
3 or entity not a party to this Consent Order.

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

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

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

20 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
21 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.
22 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
23 provision. No waiver by either party of any breach of, or of compliance with, any condition or
24 provision of this Consent Order by the other party will be considered a waiver of any other condition
25 or provision or of the same condition or provision at another time.

26 15. Full Integration. This Consent Order is the final written expression and the complete
27 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
28 between the parties with respect to the subject matter hereof, and supersedes all prior or

1 contemporaneous agreements, negotiations, representations, understandings, and discussions between
2 and among the parties, their respective representatives, and any other person or entity, with respect to
3 the subject matter covered hereby.

4 16. Governing Law. This Consent Order will be governed by and construed in accordance
5 with California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
6 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the
7 maintenance of such action or proceeding in such court.

8 17. Counterparts. This Consent Order may be executed in one or more separate
9 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
10 together constitute a single document.

11 18. Effect Upon Future Proceedings. If FAL applies for any license, permit or
12 qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future
13 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
14 admitted for the purpose of such application or proceeding. Provided, however, that the fact of the
15 existence of this Consent Order shall not, in and of itself, be the sole basis for any denial of any such
16 application so long as FAL is and has been in compliance with the terms of this Consent Order.

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

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

24 21. Public Record. FAL hereby acknowledges that this Consent Order is and will be a
25 matter of public record.

26 22. Effective Date. This Consent Order shall become final and effective when signed by
27 all parties and delivered by the Commissioner’s counsel via e-mail to FAL’s corporate counsel,
28 Brandon Cordell, at bcordell@clacorp.com.

1 23. Authority to Sign. Each signatory hereto covenants that he or she possesses all
2 necessary capacity and authority to sign and enter into this Consent Order and undertake the
3 obligations set forth herein.

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5 Dated: October 7, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

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7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner

10 Dated: October 7, 2021

FAST AUTO LOANS, INC.

11 By _____
12 ROBERT I. REICH, President

13 APPROVED AS TO FORM:

14
15 By _____
16 BRANDON CORDELL, ESQ.
17 Corporate Counsel for FAST AUTO
18 LOANS, INC.
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