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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: California Renewable Energy LLC
6720 Alpine Street
Mira Loma, California 91752

566 W Autumn Hills Boulevard
Lehi, Utah 84043

4475 N Bendel Avenue, Suite 107
Fresno, California 93722

DESIST AND REFRAIN ORDER

(Fin. Code, §§ 22680, subd. (a), 90003, subd. (a)(1) and (2))

The Commissioner of the Department Financial Protection and Innovation (DFPI) finds that:

1. California Renewable Energy LLC (CRE) is a California company with a California address at 6720 Alpine Street, Mira Loma, California 91752.
2. The Commissioner has jurisdiction over the enrollment of persons engaged in the business of a PACE¹ solicitor under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).
3. The Commissioner also has jurisdiction over the regulation of persons engaged in offering or providing a consumer financial product or service in California under the California Consumer Financial Protection Law (CCFPL) (Fin. Code, § 90000 et seq.).

FACTS

4. Since at least April 30, 2021, CRE has operated a website at www.californiarenewableenergy.com (Website) through which CRE has marketed residential solar power projects and financing to California consumers. On the Website, CRE describes one of the financing sources it offers as follows:

BAD CREDIT? NO PROBLEM.

¹ Property Assessed Clean Energy

1 If you have bad credit you can take advantage of P.A.C.E! P.A.C.E
2 stands for Property Assessed Clean Energy. It's a program that allows
3 home owners to finance clean energy through the property taxes. It
4 requires zero down with no out of pocket expenses.

5 We work with California First that has a partnership with your local
6 county government. This allows you to receive upfront funding for
7 energy efficiency, renewable energy and water efficiency improvements
8 for your home or business. It is a great program and is our customer's
9 top option for financing.

10 With this program our average home saves a projected \$72,000 over the
11 course of 20 years.

12 Depending on which city you live in you may qualify for some free
13 initial months. Ask your CRE rep for more information today!

14 5. CRE also maintains a listing on Google Maps, with a link to the Website, a physical
15 address of 4475 N Bendel Avenue, Suite 107, Fresno, California 93722, and a telephone number of
16 (760) 282-4066. CRE routes consumer calls to the telephone number to one of its representatives,
17 who confirmed to at least one consumer that CRE offers PACE financing and would serve as the
18 point of contact for any PACE-financed projects.

19 6. CRE has also offered PACE financing to California consumers using door-to-door
20 solicitations in Fresno County and Los Angeles County through its employees. Several consumers
21 have complained that CRE's representative's uniforms, badges, company name, company logo,
22 presentation, and choice of wording in their statements led them to believe that the company is a
23 State of California agency or affiliate. Specifically, consumers complained that CRE's
24 representatives used "we" when referring to California government programs, described financing
25 mechanisms as "assistance programs," and provided marketing materials estimating the costs of
26 PACE financing that emphasized no monthly payment, no down payment, and no "total system
27 cost," without estimating the increases in property tax assessments.

28 7. CRE is not enrolled as a PACE solicitor with any program administrator licensed by
the DFPI, its sales representatives are not enrolled as PACE solicitor agents, and CRE is neither a
government agency nor is it affiliated with any government agency.

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APPLICABLE LAW – PACE

8. No person shall “engage in the business of a PACE solicitor unless that person is enrolled with a program administrator” under the CFL. (Fin. Code, § 22680, subd. (a).)

APPLICABLE LAW – CCFPL

9. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, have engaged, or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services.” (Fin. Code, § 90003, subd. (a)(1).)

10. The CCFPL also makes it unlawful for a “covered person” to “[o]ffer or provide to a consumer any financial product or service not in conformity with any consumer financial law or otherwise commit any act or omission in violation of a consumer financial law.” (Fin. Code, § 90003, subd. (a)(2).)

11. A “covered person” includes “[a]ny person that engages in offering or providing a consumer financial product or service to a resident of [California].” (Fin. Code, § 90005, subd. (f)(1).)

12. A “consumer financial product or service” is generally a “financial product or service that is delivered, offered, or provided for use by consumers primarily for personal, family, or household purposes.” (Fin. Code, § 90005, subd. (e)(1).)

13. “Financial product or service” includes, among other things, “[c]ollecting, analyzing, maintaining, or providing consumer report information or other account information, including information relating to the credit history of consumers, used or expected to be used in connection with any decision regarding the offering or provision of a consumer financial product or service.” (Fin. Code, § 90005, subd. (k)(9).)

14. Under Financial Code section 90015, subdivision (d), if, in the opinion of the Commissioner, any person engages, has engaged, or proposes to engage in any activity prohibited by section 90003, the Commissioner “may issue an order directing the person to desist and refrain from engaging in the activity, act, practice, or course of business.”

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DESIST AND REFRAIN ORDER

15. CRE is a “covered person” under the CCFPL that engages in offering or providing consumer financial products or services to California residents, including collecting, maintaining, and providing consumer report information or other account information used or expected to be used in connection with any decision regarding the offering or provision of a consumer financial product or service. (Fin. Code, § 90005, subd. (k)(9).)

16. Based on the foregoing, the Commissioner is of the opinion that CRE violated Financial Code section 90003, subdivision (a)(1), by engaging, having engaged, or proposing to engage in unlawful, unfair, deceptive, and/or abusive acts and practices with respect to consumer financial products or services.

17. Based on the foregoing, the Commissioner is also of the opinion that CRE violated Financial Code section 90003, subdivision (a)(2), by offering or providing to consumers financial products or services not in conformity with consumer financial laws and/or by committing acts or omissions in violation of consumer financial laws.

18. Accordingly, pursuant to Financial Code section 90015, subdivision (d), CRE is hereby ordered to desist and refrain from violating Financial Code section 22680 and section 90003, subdivisions (a)(1) and (2) (Order).

19. This Order is necessary, in the public interest and consistent with the purposes, policies, and provisions of the CFL and CCFPL. This Order shall remain in full force and effect until further order of the Commissioner.

Dated: November 19, 2021
Sacramento, California

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and
Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division