

1 CLOTHILDE V. HEWLETT  
Commissioner  
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8 Attorneys for Complainant

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

12 In the Matter of: )  
13 )  
14 THE COMMISSIONER OF FINANCIAL ) CFL LICENSE No.: 60DBO-103797  
PROTECTION AND INNOVATION, )  
15 ) **ACCUSATION IN SUPPORT OF ORDER**  
Complainant. ) **REVOKING LICENSE PURSUANT TO**  
16 ) **FINANCIAL CODE SECTION 22714**  
17 v. )  
18 K2 CLEAN ENERGY CAPITAL, LLC, )  
19 )  
Respondent. )  
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1 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner),  
2 is informed and believes, and based upon such information and belief, alleges and charges as  
3 follows:

4 **I.**

5 **Introduction**

6 1. The Commissioner has jurisdiction over the licensing and regulation of persons and  
7 entities engaged in the business of finance lending or brokering under the California Financing Law  
8 (CFL) (Cal. Fin. Code § 22000 et seq.)<sup>1</sup>

9 2. Respondent K2 Clean Energy Capital, LLC (Respondent) is a California limited  
10 liability company with its principal place of business at 900 E. Hamilton Avenue, Suite 100,  
11 Campbell, CA 95008. Respondent is licensed by the Commissioner under the CFL with the license  
12 number 60DBO-103797.

13 **II.**

14 **Violation and Citation**

15 3. Under Section 22150, the Commissioner may make general rules and regulations and  
16 specific rulings, demands, and findings for the enforcement of, and within the general purposes of,  
17 the CFL.

18 4. Pursuant to a Commissioner’s Order on Electronic Communications, dated November  
19 22, 2013, each CFL licensee must establish an email address for communications from the  
20 Commissioner (Designated Email Address).

21 5. Under California Code of Regulations, Title 10, section 1422.4, which went into  
22 effect on October 1, 2021, all CFL licensees were required to transition to the Nationwide Multistate  
23 Licensing System and Registry (NMLS) by December 31, 2021. On December 16, 2021,  
24 Complainant extended the deadline to transition to NMLS to March 15, 2022. On March 7, 2022,  
25 Complainant again extended the deadline to transition to NMLS to March 31, 2022.

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28 <sup>1</sup> Cal. Fin. Code § 22000, *et seq.* All subsequent statutory references are to the California Financial Code unless otherwise specified.

1 6. Complainant provided notice of this requirement to Respondent – via email to the  
 2 Designated Email Address provided by each CFL licensee on July 20, 2021, September 16, 2021,  
 3 October 14, 2021, November 8, 2021 and December 16, 2021. Complainant also provided notice via  
 4 email to each CFL licensee that had not yet transitioned to NMLS, including Respondent, on March  
 5 7, 2022, and again via email and mail on March 28, 2022. Complainant provided further notice of  
 6 this requirement over the telephone – Complainant made at least two calls to the designated  
 7 telephone number provided by each CFL licensee, including Respondent – between February 1 and  
 8 March 15, 2022.

9 7. Complainant determined that Respondent was in violation of Regulation 1422.4 and  
 10 had not transitioned management of its CFL license to NMLS as of July 29, 2022. Accordingly,  
 11 Complainant issued a Citation on that date pursuant to Financial Code section 22707.5, subdivision  
 12 (a). The Citation included an order to correct the violation and an order to pay an administrative fine  
 13 in the amount of \$2,500.00 to the Commissioner by September 27, 2022.

14 8. Complainant served the Citation on Respondent via certified mail on July 29, 2022.

15 9. To date, Respondent has neither complied with the order to correct the violation by  
 16 transitioning its license to NMLS nor paid the administrative fine.

17 **III.**

18 **Applicable Law**

19 10. Subsection (a)(1) of Section 22714 provides that the Commissioner shall suspend or  
 20 revoke any CFL license, upon notice and reasonable opportunity to be heard, if the Commissioner  
 21 finds that the licensee has failed to comply with any demand, ruling, or requirement of the  
 22 commissioner made pursuant to and within the authority of this division.

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**IV.**

**Prayer for Relief**

WHEREFORE, IT IS PRAYED that

11. Pursuant to subsection (a)(1) of Section 22714, the California Financing Law license of Respondent K2 Clean Energy Capital, LLC be revoked due to the lengthy duration of the violations identified above and Respondent’s failure to comply with the Citation.

Dated: January 26, 2023  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
Galen Yun  
Counsel  
Enforcement Division