

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 DANIEL O'DONNELL
Assistant Chief Counsel
4 NOAH M. BEAN (State Bar No. 257657)
Senior Counsel
5 Department of Financial Protection and Innovation
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8 Attorneys for Complainant

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

11 In the Matter of:

12)
13 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)

14) CONSENT ORDER

15 Complainant,

16 v.

17 RIVA DCM LLC, and JAMES)
CASTELLANOS,)

18 Respondents.)
19)

20
21 This Consent Order is entered into by and between the Commissioner of Financial Protection
22 and Innovation (Commissioner) and James Rudolph Castellanos (Castellanos), and is made with
23 respect to the following facts:

24 I.

25 Recitals

26 A. The Department of Financial Protection and Innovation (Department), through the
27 Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in
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1 the business of lending and/or brokering pursuant to the California Financing Law (Fin. Code §
2 22000 et seq.) (CFL).

3 B. RIVA DCM LLC (RIVA) purports to be a limited liability company. On or about
4 March 16, 2022, RIVA applied for a finance lender license with the Department (Application).

5 C. At all relevant times, Castellanos, is and was the Chief Executive Officer of RIVA.

6 D. On September 12, 2022, the Commissioner served Castellanos with the following
7 documents: (1) Notice of Intention to Issue Order Barring James Castellanos From Any Position of
8 Employment, Management or Control of Any Finance Lender or Broker Pursuant to Financial Code
9 Section 22169 (Notice of Intent to Bar), (2) Accusation, (3) Statement to Respondent, (4) Notice of
10 Defense, and (5) Government Code Section 11507.5, 11057.6, 11507.7.

11 E. After issuance of the Statement of Issues and Notice of Intent to Bar, Castellanos
12 submitted a Notice of Defense to the Commissioner requesting an administrative hearing on the
13 allegations set forth in the Notice of Intent to Bar, and waived a priority hearing.

14 F. It is the intention of Castellanos and the Commissioner (the Parties) to resolve the
15 Notice of Intent to Bar without the necessity of a hearing.

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

18 **II.**

19 **Terms and Conditions**

20 1. Purpose. This Consent Order resolves the Notice of Intent to Bar in a manner that
21 avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the
22 public interest, and is consistent with the purposes, policies, and provisions of the CFL.

23 2. Waiver of Hearing Rights. Castellanos acknowledges that the Commissioner is ready,
24 willing, and able to proceed with the administrative enforcement action described in Paragraphs A
25 through E above. Castellanos waives his rights to a hearing, and to any reconsideration, appeal or
26 other right to review which may be afforded by the CFL, the California Administrative Procedure
27 Act, the California Code of Civil Procedure, or any other provision of law in connection herewith.
28 By waiving such rights, Castellanos effectively consents to this Consent Order becoming final.

1 3. Waiting period. Castellanos agrees to not file any CFL application for 36 months from
2 the effective date of this agreement. Castellanos also agrees to the summary denial from any position
3 of employment, management, or control of any finance lender and/or broker if the Commissioner
4 finds, after a hearing to be held before an administrative law judge in accordance with the
5 Administrative Procedure Act, Government Code section 11500 et seq., that Castellanos (i) has
6 violated any of the terms of this Consent Order and/or (ii) submits to the Department, in the future,
7 any paperwork with material misrepresentations and/or omissions. Castellanos waives his right to any
8 reconsideration, appeal or other right to review of any finding by the Commissioner made pursuant to
9 this paragraph which may be afforded pursuant to the CFL, the California Administrative Procedure
10 Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.
11 Castellanos acknowledges that this paragraph does not limit the Commissioner’s authority to take
12 other actions against Castellanos for alleged violation(s) of the CFL provisions set forth in the Notice
13 of Intent to Bar that occur after the effective date of this Consent Order, or any other provision of the
14 CFL no matter when such alleged violation(s) occurred.

15 4. Conditions Subject to Revocation. Castellanos agrees that, if the Department accepts
16 an application for a CFL license with his name, that application and/or resulting license will be
17 subject to the conditions that for a 36-month period from the date of licensure, should the
18 Commissioner make a finding that Castellanos has violated or is violating any provision of the CFL,
19 or any rule, regulation, or law under the jurisdiction of the Commissioner, the state of California, the
20 United States of America, and every state and foreign government (and political subdivision thereof),
21 the Commissioner may, in her discretion, automatically revoke any license held by or deny any
22 pending application(s) of Castellanos. Castellanos hereby waives any notice and hearing rights to
23 contest such revocation or denial(s) which may be afforded him under the CFL, APA, CCP, or any
24 other provision of law in connection with this matter. Castellanos further expressly waives any
25 requirement for the filing of an accusation under Government Code section 11415.60, subdivision
26 (b), in connection with the Commissioner’s revocation of his license under this paragraph.

27 5. Additional Conditions. Castellanos agrees that in any future CFL applications,
28 Castellanos shall not be employed in any capacity by RIVA, nor shall Castellanos have any

1 ownership interest in RIVA or engage in any business activity on the premises of RIVA or any RIVA
2 affiliate.

3 6. Full and Final Settlement. The Parties hereby acknowledge and agree that this Consent
4 Order is intended to constitute a full, final, and complete resolution of the allegation set forth in the
5 Notice of Intent to Bar, and that no further proceedings or actions will be brought by the
6 Commissioner in connection with the Notice of Intent to Bar under the CFL or any other provision
7 of law, excepting therefrom any proceeding to enforce compliance with the terms of this Consent
8 Order.

9 7. Failure to Comply with Consent Order. Castellanos agrees that if he fails to comply
10 with the terms of this Consent Order, the Commissioner may, in addition to all other available
11 remedies it may invoke under the CFL, summarily suspend or revoke any licenses held by
12 Castellanos under the Commissioner’s jurisdiction until Castellanos is in compliance. Castellanos
13 waives any notice and hearing rights to contest such summary suspensions which may be afforded
14 under the CFL, the California Administrative Procedure Act, the California Code of Civil Procedure,
15 or any other provision of law in connection therewith.

16 8. Information Willfully Withheld or Misrepresented. This Consent Order may be
17 revoked, and the Commissioner may pursue any and all remedies available under the law against
18 Castellanos if the Commissioner discovers that Castellanos knowingly or willfully withheld
19 information used for and relied upon in this Consent Order.

20 9. Future Actions by Commissioner. If Castellanos fails to comply with any terms of this
21 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
22 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
23 against Castellanos for any and all unknown violations of the CFL.

24 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
25 ability to assist any other government agency (city, county, state, or federal) with any administrative,
26 civil or criminal prosecutions brought by that agency against Castellanos or any other person based
27 upon any of the activities alleged in this matter or otherwise.

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1 11. Headings. The headings to the paragraphs of this Consent Order are for convenience
2 only and will not be deemed a part hereof or affect the construction or interpretation of the provisions
3 hereof.

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

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

19 14. Full Integration. This Consent Order is the final written expression and the complete
20 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
21 between the Parties with respect to the subject matter hereof, and supersedes all prior or
22 contemporaneous agreements, negotiations, representations, understandings, and discussions between
23 and among the Parties, their respective representatives, and any other person or entity, with respect to
24 the subject matter covered hereby.

25 15. Governing Law. This Consent Order will be governed by and construed in accordance
26 with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby
27 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the
28 maintenance of such action or proceeding in such court.

1 16. Counterparts. This Consent Order may be executed in one or more separate
2 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
3 together constitute a single document.

4 17. Mandatory Disclosure in Future Applications. Castellanos agrees to disclose this
5 Consent Order in any application for a license, permit or qualification under the Commissioner’s
6 current or future jurisdiction.

7 18. Effect Upon Future Proceedings. If Castellanos is the subject of any future action by
8 the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for
9 the purpose of such action.

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

15 20. Notice. Any notice/report required under this Consent Order shall be addressed as
16 follows:

17 To Castellanos: Ginger Sotelo, Esq.
18 Pahl & McCay, a Professional Law Corporation
19 225 West Santa Clara St., Suite 1500
20 San Jose, CA 95113
 gsotelo@pahl-mccay.com

21 To the Commissioner: Noah M. Bean
22 Senior Counsel
23 Department of Financial Protection and Innovation
24 2101 Arena Blvd
 Sacramento, California 95834
 Noah.Bean@dfpi.ca.gov

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26 21. Signatures. A fax or electronic mail signature shall be deemed the same as an original
27 signature.
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1 22. Public Record. Castellanos hereby acknowledges that this Consent Order is and will
2 be a matter of public record.

3 23. Effective Date. This Consent Order shall become final and effective when signed by
4 all Parties and delivered by the Commissioner’s counsel via e-mail to Castellanos at gsotelo@pahl-
5 mccay.com.

6 24. Authority to Sign. Each signatory hereto covenants that he or she possesses all
7 necessary capacity and authority to sign and enter into this Consent Order and undertake the
8 obligations set forth herein.

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Dated: June 5, 2023
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: May 30, 2023

By _____
JAMES CASTELLANOS, an individual