

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS
SMALL LOAN COMPANY
Docket No. 2024-008

In the Matter of)

SOLO FUNDS INC.)

Los Angeles, California)

NMLS# 1909701)

CONSENT ORDER

WHEREAS, SOLO FUNDS INC., (“SoLo Funds” or “Company”), a Delaware public benefit corporation headquartered in Los Angeles, California, has been advised of its rights to Notice and Hearing pursuant to Massachusetts General Laws (M.G.L.) chapter 30A, section 10, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with the Division of Banks (Division) dated October 23, 2024 whereby, solely for the purpose of settling this matter and without admitting any allegations of fact or the existence of any violations of law, Solo Funds agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, the Commissioner is charged with the administration of M.G.L. chapter 140, sections 96 through 114A, inclusive and applicable regulations found at 209 CMR 20.00 *et seq.* and 209 CMR 26.00 *et seq.*, relating to the licensing and regulation of small loan companies;

WHEREAS, M.G.L. chapter 140, sections 96 through 114A requires an entity to be licensed by the Commissioner if they are engaged, directly or indirectly, in the business of making

loans of \$6,000.00 or less and the interest and expenses paid on the loan exceed in the aggregate 12 percent per annum in the loan amount (small loans);

WHEREAS, SoLo Funds has its main office located at 3740 Motor Ave., Los Angeles, CA 90034;

WHEREAS, SoLo Funds has never applied for or received a license from the Division to do business in Massachusetts;

WHEREAS, SoLo Funds allegedly engaged in the business of a small loan company from at least May 2019 to on or about June 5, 2024 without the appropriate license;

WHEREAS, on or about June 5, 2024, the Company represented to the Division it stopped doing business within Massachusetts;

WHEREAS, the parties now seek to resolve by mutual agreement the matters identified above.

ORDER

NOW COME the parties in the above-captioned matter, the Division and the Company, and stipulate and agree as follows:

1. The Company shall pay an administrative penalty to the Division in the amount of fifty thousand dollars (\$50,000.00). The penalty shall be due upon execution and shall be payable by check to the "Commonwealth of Massachusetts," mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.
2. Solo Funds previously represented to the Division that it ceased engaging in any business activity that requires licensing or registration from the Division, and will not engage in any business activity that requires licensing or registration from the

Division, prior to obtaining the appropriate license or approval from the Division, including but not limited to, acting as a small loan company in Massachusetts as such business is described in M.G.L. chapter 93, section 24A.

3. Nothing in this Consent Order shall be construed as permitting Solo Funds to violate any law, rule, regulation, or regulatory bulletin to which the Company is subject.
4. Failure to comply with the terms of this Consent Order shall constitute grounds for formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts.
5. Regarding any application(s) submitted to the Division by the Company, the Division retains all of the discretion set forth within Massachusetts General Laws in determining the appropriate action on the concerned application, provided, however, that the Division would not take any adverse action on said application(s) solely as a result of any of the issues resolved by this Consent Order or because the Company entered into the Consent Order or agreed to the issuance of this Consent Order.
6. This Consent Order shall become effective immediately upon the date of its issuance.
7. The provisions of this Consent Order shall be binding upon Solo Funds and their respective subsidiaries, officers and directors, successors and assigns, and those persons in active participation with them, directly or indirectly, acting individually or through any corporate or other entity.

8. In consideration of this Consent Order, the Division agrees not to pursue any other remedial measures, sanctions, or penalties relative to this matter unless the Division is made aware of material information that is not addressed in this Consent Order, or if Solo Funds fails to comply with the terms of this Consent Order.
9. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department from taking any other action under separate authority affecting the Company or any of its officers and directors, or their successors or assigns.
10. The provisions of this Consent Order shall remain effective and enforceable except to the extent that and until such time as the Commissioner or a court of competent jurisdiction modifies, terminates, suspends, or sets aside any provision of this Consent Order.
11. In accordance with the terms of the Consent Agreement entered into by Solo Funds and the Commissioner, Solo Funds has waived all rights of appeal that they may have relative to this Consent Order or any of its provisions.
12. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements between the Division and Solo Funds.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 23rd day of October, 2024.

By:
Mary L. Gallagher
Commissioner of Banks