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**IN THE MATTER OF:** \*  
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**SOLO FUNDS INC.** \*  
**NMLS # 1909701** \*  
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**(“SoLo Funds”)** \*  
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**CONSENT ORDER**

**WHEREAS**, the Banking Commissioner (“Commissioner”) is charged with the administration of Part III of Chapter 668, Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes, “Small Loan Lending and Related Activities”, and the regulations promulgated thereunder, Sections 36a-570-1 to 36a-570-17, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”), and of Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, “Consumer Collection Agencies”, and the regulations promulgated thereunder, Sections 36a-809-6 to 36a-809-17, inclusive, of the Regulations;

**WHEREAS**, SoLo Funds is a Delaware public benefit corporation with an address of 555 W 5th Street Floor 35, Los Angeles, California;

**WHEREAS**, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Division”), pursuant to Section 36a-17 of the Connecticut General Statutes in effect at such time, has investigated the activities of SoLo Funds to determine if it has violated, is violating or is about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner (“Investigation”);

**WHEREAS**, as a result of the Investigation, on May 4, 2022, the Commissioner issued a Temporary Order to Cease and Desist (“Temporary Order to Cease and Desist”), Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Other Legal and Equitable Relief, and Notice of Right to Hearing against SoLo Funds (“Notice”), which Notice is incorporated by reference herein;

**WHEREAS**, the Temporary Order to Cease and Desist became effective upon receipt by SoLo Funds, and shall remain in effect and become permanent;

**WHEREAS**, the Commissioner alleged in the Notice, with respect to the activity described therein, that SoLo Funds: (1) offered, solicited, brokered, directly or indirectly arranged, placed or found small loans for prospective Connecticut borrowers, without the required license, in violation of Section 36a-556(a)(2) of the Connecticut General Statutes, (2) engaged in activity intended to assist prospective Connecticut borrowers in obtaining small loans, including, but not limited to, generating leads, without the required license, in violation of Section 36a-556(a)(3) of the Connecticut General Statutes, (3) acted as a consumer collection agency in this state without the required license, in violation of Section 36a-801(a) of the Connecticut General Statutes in effect at such time, (4) engaged in a deceptive practice towards Connecticut consumers or misrepresented or omitted material information in connection with a small loan in this state, in violation of Section 36a-561(4) of the Connecticut General Statutes, and (5) engaged in a deceptive act or practice, in violation of Section 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5536(a)(1)(B);

**WHEREAS**, the Department alleges violations in the Notice, which form the basis to issue an order to cease and desist against SoLo Funds pursuant to Sections 36a-570(b) and 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, issue an order to make restitution against SoLo Funds pursuant to Sections 36a-570(b) and 36a-804(b) of the Connecticut General Statutes and Section 36a-50(c) of the 2022 Supplement to the General Statutes, impose a civil penalty upon SoLo Funds pursuant to Sections 36a-570(b) and 36a-804(b) of the

Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes, and impose other legal and equitable relief against SoLo Funds authorized pursuant to Section 1055 of the CFPA, 12 U.S.C. § 5565;

**WHEREAS**, on May 4, 2022, the Notice was sent by certified mail, return receipt requested, to SoLo Funds;

**WHEREAS**, on May 13, 2022, counsel for SoLo Funds filed an Appearance and requested a hearing, which is currently pending;

**WHEREAS**, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, both the Commissioner and SoLo Funds acknowledge the possible consequences of formal administrative proceedings, and SoLo Funds voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying the allegations contained in the Notice and set forth herein (including the applicability of the licensure requirements), and solely for the purpose of obviating the need for further formal administrative proceedings concerning the allegations contained in the Notice and set forth herein;

**WHEREAS**, the Commissioner and SoLo Funds now desire to resolve the matters alleged in the Notice and set forth herein;

**WHEREAS**, the Department is currently reviewing a letter submitted by SoLo Funds dated January 27, 2023, in which it (a) describes several proposed changes to its business model and practices and (b) requests an opinion from the Department on whether the proposed changes are in compliance with Connecticut laws applicable to small loan lending activities;

**WHEREAS**, SoLo Funds has represented to the Division that it has ceased its activities in Connecticut which formed the basis of the allegations in the Notice and will continue to refrain from operating in Connecticut until it (a) obtains any required consumer collection agency license and

(b) either obtains a small loan license or implements a business model that complies with a written opinion to be issued by the Commissioner that sets forth specific circumstances under which the Department will not take enforcement action alleging unlicensed small loan activity by an entity facilitating small loans in Connecticut, so long as (i) consumers may only offer and pay any “tips” after the complete repayment of a loan and (ii) individual consumer records identifying past tips paid to lenders, including data on such instances of tips paid and amounts paid shall not be provided to lenders or potential lenders directly or indirectly, be reflected in any score or other rating of consumers and shall not affect a consumer’s ability to obtain any small loan;

**WHEREAS**, SoLo Funds agrees that the Notice may be used in construing the background of this Consent Order and agrees to the language of this Consent Order;

**WHEREAS**, SoLo Funds specifically assures the Commissioner that the violations alleged in the Notice shall not occur in the future;

**WHEREAS**, SoLo Funds acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

**AND WHEREAS**, SoLo Funds, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including an opportunity for a hearing as it pertains to the allegation contained in the Notice and set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

#### **CONSENT TO ENTRY OF SANCTIONS**

**WHEREAS**, SoLo Funds consents to the Commissioner’s entry of a Consent Order imposing the following sanctions:

1. SoLo Funds shall remit to the Department of Banking by electronic funds transfer, cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut”, the sum of One Hundred Thousand Dollars (\$100,000) as a civil penalty in five (5) monthly installments of Twenty Thousand Dollars (\$20,000). The first payment shall be due upon execution of the Consent Order and each subsequent payment shall be due on the first of each month, beginning on July 1, 2023 and ending on October 1, 2023;

2. No later than thirty (30) days from the date this Consent Order is executed by SoLo Funds, it shall reimburse all amounts paid as fees by Connecticut borrowers to SoLo Funds or a third party lender in connection with a loan originated via the SoLo Funds Platform, including, but not limited to, “Tips”, “Donations”, late fees, admin fees, Synapse transaction fees and recovery fees as follows:
  - (A) Payments shall be made by electronic funds transfer or check to all Connecticut borrowers listed in Exhibit A to the borrower’s most current mailing address in an envelope with a clear and conspicuous statement on the front of the envelope stating in bold, uppercase letters: **“IMPORTANT INFORMATION ENCLOSED BASED ON A SETTLEMENT WITH THE STATE OF CONNECTICUT.”** SoLo Funds shall notify Connecticut borrowers, via a written communication acceptable to the Department, that amounts are being paid as the result of a settlement with the Connecticut Department of Banking;
  - (B) SoLo Funds shall utilize industry standard practices for locating debtors, including skip tracing and the National Change of Address System, to identify the current mailing address for each Connecticut borrower listed in Exhibit A;
  - (C) SoLo Funds shall mail checks or send electronic funds transfers to Connecticut borrowers in accordance with the total amount of fees they are owed, as indicated in the “Reimbursement Amount” column of Exhibit A;
  - (D) All checks that SoLo Funds mails pursuant to this Consent Order shall be valid for sixty (60) days after the date of issue of the check and shall be mailed to eligible Connecticut borrowers within five (5) days of the date of issue;
  - (E) The sum of any checks which remain uncashed after the expiration of the 60 day period shall become an additional civil penalty and SoLo Funds shall remit such additional civil penalty to the Department by electronic funds transfer, cashier’s check, certified check or money order made payable to the “Treasurer, State of Connecticut” no later than September 1, 2023; and
  - (F) SoLo Funds shall provide any refund payment information requested by the Division, including, without limitation, the date a refund electronic funds transfer or check was issued and, in the case of checks, mailed, and the status of such payment, to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or carmine.costa@ct.gov, within three (3) business days of such request, and shall separately provide three (3) monthly reports, due July 1, 2023, August 1, 2023 and September 1, 2023, respectively, listing the names and addresses of Connecticut borrowers listed in Exhibit A to whom SoLo Funds has mailed checks or sent electronic funds transfers, the amount of each payment and the status of being cashed, as applicable;
3. SoLo Funds shall not: (1) make, offer, broker, advertise or engage in any other activity to facilitate or assist Connecticut residents to obtain small loans, (2) purchase, acquire or receive assignment of small loans, or (3) receive any payments or fees from Connecticut residents in connection with small loans, without a small loan license in Connecticut, unless SoLo Funds receives written notification from the Department that such licensure is not required for such activities; and

4. SoLo Funds shall not act as a consumer collection agency of delinquent or defaulted small loan debt in Connecticut without a consumer collection agency license in Connecticut, unless SoLo Funds receives written notification from the Department that such licensure is not required.

### CONSENT ORDER

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be fully resolved and the Commissioner will not take any future enforcement action against SoLo Funds based upon the allegations contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against SoLo Funds based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by SoLo Funds and reflected herein is subsequently discovered to be untrue;
3. SoLo Funds shall not take any action, make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, contradicting this Consent Order. Except as specifically provided herein, SoLo Funds shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects SoLo Funds' (i) testimonial obligations; or (ii) right to take any legal or factual positions that may contradict an allegation in this Consent Order in litigation or other legal proceedings; or (iii) SoLo Funds' right to discuss and disclose the consent order and its terms, to discuss and disclose the opinion outlining the circumstances under which SoLo funds may lawfully operate its business in Connecticut, to assert that tips should not be considered interest under applicable law, or to discuss the fact that the consent order does not preclude SoLo from applying for and obtaining a small loan license or consumer collection agency license;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by SoLo Funds and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of SoLo Funds to apply for or obtain a license under Part III of Chapter 668 Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes and Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes;
5. This Consent Order shall be binding upon SoLo Funds and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
this 16th day of May 2023.

/s/  
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Jorge L. Perez  
Banking Commissioner

I, Rodney Williams, state on behalf of SoLo Funds Inc. that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of SoLo Funds Inc.; that SoLo Funds Inc. agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that SoLo Funds Inc. voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/  
Name: Rodney Williams  
Title: President  
SoLo Funds Inc.

State of: Texas

County of: Harris

On this the 12th day of May 2023, before me, Larry Anderson, the undersigned officer, personally appeared Rodney Williams, who acknowledged himself/herself to be the President of SoLo Funds Inc., a corporation, and that he/she as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as President.

In witness whereof I hereunto set my hand.

/s/  
Notary Public  
Date Commission Exp: 02/18/2025