

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

4 TO: Solar Mosaic, LLC
5 601 12th Street, Suite 325
6 Oakland, CA 94607
7 <https://joinmosaic.com/>

8 **DESIST AND REFRAIN ORDER**

9 **(For violations of Financial Code sections 22156, 22157, and 22701)**

10 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

11 1. The Commissioner has jurisdiction over the licensing and regulation of persons and
12 entities engaged in the business of finance lending or brokering under the California Financing Law
13 (CFL). (CAL. FIN. CODE § 22000 et seq.).¹

14 2. The Commissioner, pursuant to Cal. Code Regs. Tit. 10, Sections 1425 – 1426,
15 requires that a finance company shall always maintain its books, records, and accounts physically on-
16 site, or digitally accessible from its licensed location and that such records be maintained in
17 accordance with generally accepted accounting principles and good business practice.

18 3. The Commissioner, pursuant to Sections 22150 and 22712, is authorized to pursue
19 administrative actions and remedies for violations of the CFL.

20 4. Solar Mosaic, LLC (Mosaic) is a Delaware limited liability company with its principal
21 place of business at 601 12th Street, Suite 325 Oakland, CA 94607, operating a website at
22 [https://joinmosaic.com.](https://joinmosaic.com/)

23 5. Mosaic has been licensed by the Commissioner under the CFL as a finance lender
24 with the license numbers 6054631 and 60DBO-180554. Mosaic’s primary business is financing loans
25 for residential solar improvements.

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28 ¹ CAL. FIN. CODE § 22000, et. seq. All subsequent statutory references are to the California Financial Code unless otherwise specified.

1 6. Mosaic’s Nationwide Multistate Licensing System & Registry (NMLS²) ID is
2 1295934.

3 7. On January 20, 2023, the Department, pursuant to its investigatory authority under
4 Section 22701, issued Mosaic an examination entrance letter at its designated email address,
5 notifying it of a scheduled examination (Regulatory Examination) and demanding production of
6 books, accounts, and records for pre-examination review. The demand requested documents such as
7 loan documents, truth in lending disclosures, loan payment and amortization schedules, and
8 assessments of borrowers’ ability to repay their loans. The initial response and documents were to be
9 provided to the Department no later than February 6, 2023.

10 8. From January 20, 2023, until the date of this Order, in furtherance of the Regulatory
11 Examination, the Department has sought access to approximately 1,467 individual books, accounts,
12 and records held by Mosaic through the issuance of at least twenty (20) Requests for Production
13 (RFPs). Mosaic routinely failed to fully respond to the Department’s RFPs, necessitating seven (7)
14 subsequent attempts by the Department to obtain the sought-after information. In total, the
15 Department has solicited Mosaic for books, accounts, and records twenty-seven (27) times during the
16 Regulatory Examination.

17 9. Since the beginning of the Regulatory Examination in January 2023, out of the 1,467
18 individual requests for books, records, and accounts, Mosaic has refused to produce *any information*
19 related to at least 150 individual requests. Those 150 requests can generally be categorized as
20 requests related to loan origination and mandatory consumer disclosures. Further, Mosaic provided
21 *non-responsive answers* to another 249 individual requests. These requests generally can be
22 categorized as being related to mandatory consumer disclosures, business relationships with third
23 parties, and calculations regarding a borrower’s ability to repay. In total, Mosaic’s refusal to comply
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26 ² NMLS is the system of record for non-depository financial services licensing or registration in participating agencies,
27 including all 50 states, the District of Columbia and the U.S. Territories of Puerto Rico, the U.S. Virgin Islands, and
28 Guam. In these jurisdictions, NMLS is the official system for companies and individuals seeking to apply for, amend,
renew, and surrender licenses administered through NMLS.

1 amounts to a non-response rate of *thirty percent* (30%) of all information sought by the Department
2 as authorized under Section 22156.

3 10. In or about February 2024, the Department conducted a weeklong site visit, to review
4 Mosaic’s records at their licensed location. During that visit, the Department requested information
5 from Mosaic which should have been readily available if it were maintained in accordance with the
6 CFL. It was not, and Mosaic failed to comply with the Department’s requests for information.

7 11. At no time during the Regulatory Examination did Mosaic raise a defense to, or
8 provide a justification for, their non-production as required under the CFL. Mosaic has ignored
9 repeated attempts by the Department’s staff to discuss concerns relating to Mosaic’s non-compliance
10 and such conduct is emblematic of Mosaic’s serious-and-ongoing compliance deficiencies.

11 12. Section 22150 states:

12 “The [C]ommissioner may make general rules and regulations and
13 specific rulings, demands, and findings for the enforcement of this
14 division, in addition to, and within the general purposes of, this division.”

15 13. California Code of Regulations Title 10 Section 1425 states in relevant part:

16 “Except as otherwise provided by section 22158 of the Financial Code, a
17 finance company shall always maintain its books, records, and accounts
18 physically at or digitally accessible from its licensed location...”

19 14. California Code of Regulations Title 10 Section 1426 states:

20 “A licensee shall maintain its books, accounts and records in accordance
21 with generally accepted accounting principles and good business
22 practice.”

23 15. Section 22701(a) states:

24 “For the purpose of discovering violations of this division or securing
25 information required by him or her in the administration and enforcement of
26 this division, the commissioner may at any time investigate the loans,
27 assessment contracts, and business, and examine the books, accounts,
28 records, and files used in the business, of every person engaged in the
business of a finance lender, broker, or program administrator, whether the
person acts or claims to act as principal or agent, or under or without the
authority of this division. For the purpose of examination, the commissioner
and his or her representatives shall have free access to the offices and places
of business, books, accounts, papers, records, files, safes, and vaults of all

1 these persons.”

2 16. Section 22156(a) states in relevant part

3 “...[l]icensees shall keep and use in their business, books, accounts, and
4 records which will enable the commissioner to determine if the licensee is
5 complying with the provisions of this division and with the rules and
6 regulations made by the commissioner...”

7 17. Section 22712(a) provides that

8 “[w]henver, in the opinion of the commissioner ...any licensee is
9 violating any provision of this division, the commissioner may order that
10 person or licensee to desist and refrain from engaging in the business or
11 further violating this division.”

12 18. Mosaic has failed to produce documents in response to multiple demands of the
13 Commissioner and within the period specified, which itself has resulted in an inability by the
14 Department to complete Mosaic’s examination and determine the full scope of Mosaic’s non-
15 compliance with the CFL.

16 19. Specifically with respect to information about originated loans, Section 22157(a)
17 requires that CFL licensees “shall preserve their books, accounts, and records, if any, for at least three
18 years after making the final entry on any loan recorded therein.” The Commissioner seeks
19 information about loans made within the last three years as part of the examination; such loans would
20 be within the document retention period prescribed by Section 22157. Mosaic’s refusal to produce the
21 records sought by the Department poses a direct and immediate risk to California consumers.

22 20. Accordingly, the Commissioner finds that Solar Mosaic, LLC has violated the
23 following sections of the CFL:

- 24 a. Section 22701(a) by failing to provide free access to Mosaic’s files upon request.
- 25 b. Sections 22156(a) and 22157(a) by failing to keep the company’s books and
26 records in such a condition that they could be easily accessed and provided to the
27 Commissioner upon demand pursuant to a regulatory examination.
- 28 c. Cal. Code Regs. Tit. 10, Section 1425 by failing to maintain records in a physical
or digital manner which was accessible from its licensed location.

d. Cal. Code Regs. Tit. 10, Section 1426 by failing to keep such records in accordance with good business practices.

NOW, BASED UPON THE FOREGOING, IT IS HEREBY ORDERED, under the provisions of Section 22712(a), that Solar Mosaic, LLC immediately desist and refrain from violating Sections 22701, 22156, and 22157, and California Code of Regulations, Title 10, Sections 1425 and 1426. Further Solar Mosaic, LLC is hereby ordered to produce all outstanding documentation demanded by the Commissioner during the Regulatory Examination no later than 5:00 p.m. (Pacific time), October 15, 2024.

This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies, and provisions of the California Financing Law.

Date: September 23, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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