

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA**  
**Civil Division**

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<p style="text-align:center"><b>DISTRICT OF COLUMBIA</b></p> <p style="text-align:center"><b>PLAINTIFF,</b></p> <p style="text-align:center">v.</p> <p style="text-align:center"><b>SOLO FUNDS, INC.</b></p> <p style="text-align:center"><b>DEFENDANT.</b></p>	<p>Case No.: 2023 CAB 002665</p> <p>Judge: Milton C. Lee</p>
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**CONSENT JUDGMENT AND ORDER**

Plaintiff District of Columbia, by and through its Office of Attorney General’s Office of Consumer Protection (the “District”), brought this action for violations of the District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901, *et seq.* (“CPPA”) and the District of Columbia Usury Statute, D.C. Code § 28-3301(a). The District and Defendant SoLo Funds, Inc. (“SoLo”), stipulate to the entry of this Consent Judgment and Order (“Consent Order”) to resolve all matters in dispute in this action between them.

**THE PARTIES**

1. Plaintiff the District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General for the District of Columbia. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1). The Attorney General is specifically authorized to enforce the District’s consumer protection laws, including the CPPA, pursuant to D.C. Code § 28-3909.

2. Defendant SoLo is a Delaware corporation that has facilitated and advertised loans to District residents through its SoLo Funds website (solofunds.com) and mobile applications available through Apple and Google Play.

### **ALLEGATIONS**

3. This Court has jurisdiction over this matter.

4. The District filed its Complaint in *District of Columbia v. SoLoFunds, Inc.* in the Superior Court for the District of Columbia.

5. The District's Complaint alleges that SoLo engaged in deceptive practices in violation of the District's CPPA, including as set forth in D.C. Code § 28-3904 (e), (f), (f-1), (dd), and (ff); and lending in violation of the District's usury cap in violation of D.C. Code § 28-3301(a), in its offer and provision of loans to District consumers.

6. SoLo denies the allegations in the Complaint and denies that it has violated any law or engaged in any deceptive or unfair practices.

7. The Parties have agreed to the relief set forth in this Consent Order in order to fully resolve this matter.

### **DEFINITION**

8. "Consumer Borrower" shall mean all persons who reside in the District of Columbia and who apply for or obtain a SoLo loan and shall incorporate the definition of the term "consumer" in D.C. Code § 28-3901(a)(2).

9. "Consumer Lender" shall mean those persons who have either provided funds for a SoLo loan to a person in the District of Columbia, or who reside in the District of Columbia and have provided funds to consumers outside of the District of Columbia for a SoLo loan, and shall incorporate the definition of the term "consumer" in D.C. Code § 28-3901(a)(2).

10. “SoLo Platform” shall mean the website and mobile application through which individual consumer borrowers can ask for loans from individual consumer lenders.

### **INJUNCTION**

11. SoLo shall not engage in any act or practice in violation of the CPPA in connection with the offer, provision, or advertisement of loans to Consumer Borrowers or by Consumer Lenders.

12. SoLo shall not engage in any act or practice in violation of the District of Columbia Usury Statute, D.C. Code § 28-3301(a).

13. SoLo will take all steps necessary to block all Consumer Lenders on the SoLo Platform from being able to see whether or not a Consumer Borrower is offering a tip to a lender, or the amount of the tip, prior to the Consumer Lender’s firm commitment to fund the loan amount that is requested by the Consumer Borrower.

14. SoLo will take all steps necessary to ensure that individual Consumer Borrower’s offer or withholding of a tip or donation will have no impact on loan approval by any Consumer Lender, nor on the terms of any loan offered or provided to the Borrower.

15. SoLo will take all steps necessary to ensure that individual Consumer Borrower’s tips and donations will not be reflected in individual Consumer Borrower’s SoLo scores.

16. SoLo will take all steps necessary to ensure that an individual Consumer Borrower’s choices concerning the provision or amount of a tip or donation, do not trigger any changes in how SoLo presents loan options to Consumer Borrowers or Consumer Lenders.

17. SoLo will present an interface to Consumer Borrowers, on both its website and mobile application, that lists the optional tips to Consumer Lenders as between 0% and 12%. This interface will include an open text box that accepts all entries between 0 and 12, without the

necessity for the user to toggle to any other settings or pages in the SoLo Platform, and will include no default tip amount. This interface will contain a clear and conspicuous disclosure that tips are optional and that the Consumer Borrower's decision on whether to tip or the amount of the tip will not impact either the Consumer Borrower's ability to borrow, or the Consumer Borrower's SoLo score. The clear and conspicuous disclosure must appear on the main screen of the interface, without any clicking or scrolling required to see it, on either the website or mobile application, and should be in a font size consistent with other text on the page.

18. SoLo will present an interface to Consumer Borrowers that lists the optional donation to SoLo as between 0% and 9%. This interface will be an open text box that accepts all entries between 0 and 9, without the necessity for the user to toggle to any other settings or pages in the SoLo Platform and will include no default donation amount. This interface will contain a clear and conspicuous disclosure that donations are optional and that the Consumer Borrower's decision on whether to donate or the amount of the donation will not impact either the Consumer Borrower's ability to borrow, or the Consumer Borrower's SoLo score. The clear and conspicuous disclosure must appear on the main screen of the interface, without any clicking or scrolling required to see it, on either the website or mobile application, and should be in a font size consistent with other text on the page.

19. SoLo will not misrepresent to Consumer Lenders either the amount that Consumer Lenders can expect to earn through their lending activity on the SoLo Platform, or the likelihood that Consumer Lenders will obtain a repayment of the amounts fronted by the Consumer Lender for consumer borrowing.

## FINANCIAL PAYMENT

20. Within 60 days of the date of the execution of this Consent Order, SoLo will pay a total of \$30,000 in restitution and as a payment to the District. SoLo shall provide restitution to each individual Consumer Borrower in an amount that equals the amount the borrower paid in tips and donations. The total payment amount shall be capped at \$30,000, which SoLo will make in three equal payments. SoLo shall deliver the first \$10,000 of payments upon execution of this agreement and deliver the remaining two payments at 30 days from execution and 60 days from execution. SoLo will provide restitution in full to individual Consumer Borrowers on a rolling basis in alphabetical order based upon last name, rather than providing pro-rata payments to Consumer Borrowers in three separate payments. Payment shall be made via the SoLo Wallet first, and secondly by any means of delivery requested by Consumer Borrowers who respond to the Accompanying Communication (set forth below in par. 21). Any difference between the total amounts due and paid in restitution to Consumer Borrowers and the full \$30,000 payment, shall be delivered directly to the District within 60 days of the Effective Date of this Consent Order. The District may use any portion of the funds that it receives for any lawful purposes, including, but not limited to, restitution, attorneys' fees, and other costs of investigation and litigation, and/or this payment may be placed in, or applied to, the District's restitution fund or litigation support fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorney General for the District of Columbia. Defendant agrees to cooperate with the District in obtaining any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.

21. An Accompanying Communication shall go out to all Consumer Borrowers by email with the following language that also includes the Attorney General for the District of

Columbia (DC OAG) seal and the OAG Consumer Hotline telephone number (202.442.9828):

“SoLo has recently entered into a settlement agreement with the Attorney General for the District of Columbia (DC OAG) in which you are entitled to funds. All funds that you are owed as a result of this settlement agreement have been deposited to your current SoLo Wallet. You do not need to use the settlement funds on the Solo Platform. You can withdraw the settlement funds from your SoLo Wallet to your personal account. To ensure proper delivery of the settlement funds, please log in to the SoLo app to access your funds. If you no longer have an account with SoLo, please contact SoLo’s Customer Service Department at [statehelp@solofunds.com](mailto:statehelp@solofunds.com) or 213-238-7176 with your updated payment and delivery information. Pursuant to the settlement with DC OAG, if within 60 days of the date of this email you have not either claimed the funds in your SoLo Wallet, or provided updated payment and contact information, SoLo will turn over your funds to the DC OAG, at which point you may be unable to receive your settlement funds.”

22. Within 120 days of the execution of this consent order, SoLo will remit to the District a report of all funds remitted to Consumer Borrowers in connection with the restitution payments described above, together with a wire payment delivered to the Office of the Attorney General consistent with instructions from OAG, for any monies listed on the report that could not be delivered to Consumer Borrowers. The report will include names, physical addresses and email addresses for each Consumer Borrower, the amounts due to each Consumer Borrower in restitution and whether or not the Consumer Borrower successfully accessed the amount credited as restitution from either their SoLo Wallet, or through an alternative means of payment.

23. In agreeing to the payment amount above, the District has relied upon SoLo’s representations that as of the time of this consent order they operate at a financial deficit. The

Parties agree that if that representation is proven untrue, it shall constitute a violation of this Consent Order and the District may seek an additional amount in civil penalties from SoLo.

24. A default in SoLo's payment obligations under this Agreement that is not cured within three business days of when the payment is due will constitute a violation of this Consent Order. Additionally, if SoLo fails to make any of the payments due under Paragraph 20 herein within three days of the date due, all remaining payments owed under this Consent Order shall immediately come due.

### **GENERAL PROVISIONS**

25. The "Effective Date" shall be the last date on which a party to this agreement signs this Consent Order.

26. The Parties may apply to the Court to modify this Consent Order by agreement at any time. Any party may apply to the Court, without the other party's agreement, to modify this Consent Order for good cause shown based on a substantial change in law or fact occurring after the date this Consent Order is entered.

27. Unless otherwise set forth above, SoLo shall implement all changes required by this Consent Order within thirty (30) days of the Effective Date of this Consent Order.

28. SoLo shall not cause or encourage third parties, or knowingly permit third parties acting on its behalf, to engage in practices from which SoLo is prohibited by this Consent Order.

29. This Consent Order represents the full and complete terms of the settlement entered by the Parties. In any action undertaken by the Parties, neither prior versions of this Consent Order nor prior versions of any of its terms that were not entered by the Court in this Consent Order may be introduced for any purpose whatsoever.

30. In entering into this Consent Order, the Parties are neither extinguishing any

rights otherwise available to Consumers, nor creating any right not otherwise available under the laws of the District of Columbia.

31. This Court retains jurisdiction of this Consent Order and the Parties for the purpose of enforcing this Consent Order and for the purpose of granting such additional relief as may be necessary and appropriate. The Parties may agree in writing, through their counsel, to an extension of any time period in this Consent Order without a court order.

32. This Consent Order may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect, as an original signature.

33. All notices sent pursuant to this Consent Order shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

Wendy J. Weinberg  
Senior Assistant Attorney General  
Office of the Attorney General  
400 Sixth Street, N.W., 10<sup>th</sup> Floor  
Washington, D.C. 20001  
Wendy.weinberg@dc.gov

For the Plaintiff District of Columbia

Travis Holoway  
SoLo Funds Inc.  
555 West 5<sup>th</sup> Street, 35<sup>th</sup> Floor  
Los Angeles, California 90013  
[travis@solofunds.com](mailto:travis@solofunds.com)

For the Defendant SoLo

34. Any failure by any party to this Consent Order to insist upon the strict performance by any other party of any of the provisions of this Consent Order shall not be



deemed a waiver of any of the provisions of this Consent Order, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Consent Order.

35. If any clause, provision or section of this Consent Order shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Order and this Consent Order shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.

36. Nothing in this Consent Order shall be construed as relieving SoLo of the obligation to comply with all state and federal laws, regulations, or rules, nor shall any of the provisions of this Consent Order be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

37. SoLo shall deliver a copy of this Consent Order to each of its current and future principals, officers, directors, and managers having decision-making authority with respect to the subject matter of this Consent Order.

38. SoLo shall deliver a copy of this Consent Order to any banks through which it provides or offers its services.

39. SoLo shall not participate, directly or indirectly, in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part that are prohibited in this Consent Order or for any other purpose that would otherwise circumvent any part of this Consent Order or the spirit or purposes of this Consent Order.

40. This Consent Order finally disposes of all claims by the Parties and the District shall release SoLo from all claims that the Attorney General asserted or could have asserted

under the D.C. Consumer Protection Procedures Act, D.C. Code §§ 28-3901 *et seq.*, based on the facts alleged in the Complaint.

BRIAN L. SCHWALB  
Attorney General for the District of Columbia

JENNIFER JONES  
Deputy Attorney General  
Public Advocacy Division

\_\_\_\_\_/s/\_\_\_\_\_  
ADAM TEITELBAUM  
Director, Office of Consumer Protection

Date: May 2, 2023

\_\_\_\_\_/s/\_\_\_\_\_  
WENDY J. WEINBERG  
Senior Assistant Attorney General  
Office of the Attorney General  
400 Sixth Street, N.W., 10<sup>th</sup> Floor  
Washington, D.C. 20001

Date: May 2, 2023

Emily Barth  
Assistant Attorney General

**For Plaintiff District of Columbia**

\_\_\_\_\_/s/\_\_\_\_\_  
Travis Holoway, Chief Executive Officer  
**For the Defendant SoLo Funds, Inc.**

Date: May 2, 2023

\_\_\_\_\_/s/\_\_\_\_\_  
Collin Schwartz, General Counsel  
**Counsel to Defendant SoLo Funds, Inc.**

Date: May 2, 2023

**IT IS SO ORDERED, ADJUDGED, AND DECREED.**

May 8, 2023  
**Date**

\_\_\_\_\_/s/\_\_\_\_\_  
**Milton C. Lee, Jr.**  
**Associate Judge**