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

12	In the Matter of:)	
13	THE COMMISSIONER OF FINANCIAL)	CONSENT ORDER
14	PROTECTION AND INNOVATION,)	
15	Complainant,)	
16	v.)	
17	SNAP RECOVERY, INC)	
18	Respondent.)	
19)	
20)	

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22 The Commissioner of Financial Protection and Innovation (Commissioner) of the
 23 Department of Financial Protection and Innovation (Department) and Snap Recovery, Inc. (Snap)
 24 (collectively the Parties) enter into this Consent Order with respect to the following facts:

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1 **I.**

2 **Recitals**

3 This Consent Order is made with reference to the following:

4 ***Legal Background***

5 A. The Commissioner has jurisdiction over the licensing and regulation of persons
6 engaged in the business of debt collection in California under the Debt Collection Licensing Act
7 (DCLA). Cal. Fin. Code §§ 100000 – 100025.

8 B. The Commissioner also has jurisdiction over the regulation of persons who engage,
9 have engaged, and propose to engage in offering or providing a consumer financial product or
10 service in California and affiliated service providers under the California Consumer Financial
11 Protection Law (CCFPL). Cal. Fin. Code §§ 90000 – 90019.

12 C. At all relevant times, Snap is and was a Florida corporation with a principal place of
13 business at 6000 S Rio Grande Ave, Suite 103, Orlando, Florida 32809.

14 ***Applicable Law – DCLA***

15 D. Under the DCLA, “[n]o person shall engage in the business of debt collection in this
16 state without first obtaining a license.” Cal. Fin. Code § 100001(a).

17 E. The DCLA provides that “[t]he commissioner shall allow any debt collector that
18 submits an application before January 1, 2023, to operate pending the approval or denial of the
19 application.” Cal. Fin. Code § 100000.5(a).

20 F. “Debt” is defined as “money, property, or their equivalent that is due or owing or
21 alleged to be due or owing from a natural person to another person.” Cal. Fin. Code § 100002(h).

22 G. “Consumer debt” or “consumer credit” is defined as “money, property, or their
23 equivalent, due or owing, or alleged to be due or owing, from a natural person by reason of a
24 consumer credit transaction. The term “consumer debt” includes “charged-off consumer debt” as
25 defined in Section 1788.50 of the Civil Code.” Cal. Fin. Code § 100002(f).

26 H. The DCLA defines “debt collection” as “any act or practice in connection with the
27 collection of consumer debt.” Cal. Fin. Code § 100002(i).

28 I. “Debt collector” means “any person who, in the ordinary course of business,

1 regularly, on the person’s own behalf or on behalf of others, engages in debt collection. The term
2 includes any person who composes and sells, or offers to compose and sell, forms, letters and other
3 collection media used or intended to be used for debt collection. The term “debt collector” includes
4 “debt buyer” as defined in Section 1788.50 of the Civil Code.” Cal. Fin. Code § 100002(j).

5 ***Applicable Law – CCFPL***

6 J. Under the CCFPL, it is unlawful for a “covered person” to do any of the following:

7 (1) Engage, have engaged, or propose to engage in any unlawful, unfair,
8 deceptive, or abusive act or practice with respect to consumer financial
9 products or services.

10 (2) Offer or provide to a consumer any financial product or service not in
11 conformity with any consumer financial law or otherwise commit any act
12 or omission in violation of a consumer financial law

13 Cal. Fin. Code § 90003(a)(1) and (a)(2).

14 K. A “covered person” includes “[a]ny person that engages in offering or providing a
15 consumer financial product or service to a resident of this state.” Cal. Fin. Code § 90005(f)(1).

16 L. A “consumer financial product or service” is generally a “financial product or service
17 that is delivered, offered, or provided for use by consumers primarily for personal, family, or
18 household purposes.” Cal. Fin. Code § 90005(e)(1).

19 M. “Financial product or service” includes, among other things, “[c]ollecting debt related
20 to any consumer financial product or service.” Cal. Fin. Code § 90005(k)(10).

21 ***Commissioner’s Findings***

22 N. Snap is a debt collector within the meaning of California Financial Code section
23 100002(j) of the DCLA, defining “debt collector” as any person who, in the ordinary course of
24 business, regularly, on the person’s own behalf or on behalf of others, engages in debt collection.

25 O. Snap is a “covered person” under the CCFPL that engaged in offering or providing
26 consumer financial products or services to California by seeking to collect debt related to a
27 consumer financial product or service.

28 P. On or around February 7, 2024, Snap filed an application for a debt collection
license pursuant to Cal. Fin. Code § 100001(a) (Application).

1 Q. On or around February 27, 2024, Snap contacted at least one California resident
2 (Consumer) in an attempt to collect a consumer debt, by sending an email to the Consumer
3 regarding an alleged debt of \$2,669.00 and directing the Consumer to pay the full amount within 35
4 days of receipt of the email.

5 R. As of October 01, 2024, Snap’s Application is still pending, and the Commissioner
6 has not issued a debt collection license to Snap.

7 NOW THEREFORE, in consideration of the foregoing, and the terms and conditions set
8 forth herein, the Parties agree as follows:

9 **II.**

10 **Terms and Conditions**

11 1. Purpose. This Consent Order resolves the issues before the Commissioner, set forth
12 in paragraphs A to R, above, in a manner that avoids the expense of a hearing and other possible
13 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
14 policies, and provisions of the DCLA and CCFPL.

15 2. Finality of Consent Order. Snap agrees to comply with the terms and conditions of
16 this Consent Order and stipulates that this Consent Order is hereby deemed final.

17 3. Desist and Refrain Order. Pursuant to California Financial Code section 90015(d),
18 Snap is hereby ordered to desist and refrain from engaging in the business of debt collection in this
19 state without first obtaining a license in violation of California Financial Code section 100001(a).
20 This desist and refrain order is final and effective from the effective date of this Consent Order, as
21 defined in Paragraph 27 (Effective Date).

22 4. Waiver of Hearing Rights. Snap acknowledges that the Commissioner is ready,
23 willing, and able to proceed with the filing of an enforcement action upon the charges contained in
24 this Consent Order. Snap hereby waives the right to any hearings, and to any reconsideration,
25 appeal, or other right to review which may be afforded pursuant to the DCLA, CCFPL, the
26 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
27 provision of law. By waiving such rights, Snap effectively consents to this Consent Order, and the
28 Desist and Refrain Order contained herein, becoming final.

1 5. Administrative Penalty. Snap shall pay an administrative penalty of \$2,500.00 to the
2 Commissioner (Penalty). The Penalty shall be due prior to or concurrent with the execution of the
3 Consent Order and should be made payable to the Commissioner in the form of a cashier’s check or
4 Automated Clearing House deposit and transmitted to the attention of Accounting – Enforcement
5 Division, Department of Financial Protection & Innovation, 2101 Arena Boulevard, Sacramento,
6 California 95834. Notice of the payment shall be concurrently sent via email to:
7 Sophia.Kim@dfpi.ca.gov.

8 6. Consideration. In consideration of Snap’s execution of this Consent Order, the
9 Commissioner agrees to approve Snap’s pending DCLA application within 5 business days of
10 Snap’s compliance with Paragraph 5 above.

11 7. Full and Final Settlement. The parties hereby acknowledge and agree that this
12 Consent Order is intended to constitute a full, final, and complete resolution of the findings
13 contained herein, and that no further proceedings or actions will be brought by the Commissioner in
14 connection with the findings under the DCLA, CCFPL or any other provision of law, excepting
15 therefrom any proceeding to enforce compliance with the terms of this Consent Order.

16 8. Failure to Comply with Consent Order. Snap agrees that, if it fails to comply with
17 the terms of this Consent Order, the Commissioner may avail herself of any remedies she has under
18 the DCLA, CCFPL, or any other provision of law, until Snap is in compliance. Snap waives any
19 notice and hearing rights which may be afforded under the DCLA, CCFPL, the California
20 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of
21 law, that the Commissioner may use to ensure compliance with this Consent Order.

22 9. Future Actions by Commissioner. If Snap fails to comply with any terms of the
23 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
24 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
25 against Snap, or any of their partners, owners, officers, shareholders, directors, employees or
26 successors for any and all unknown violations of the DCLA and the CCFPL.

27 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
28 ability to assist any other government agency (city, county, state, or federal) with any prosecution,

1 administrative, civil or criminal brought by that agency against Snap or any other person based upon
2 any of the activities alleged in this matter or otherwise.

3 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
4 interest.

5 12. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 15
6 below (Reliance), this Consent Order may be revoked by the Commissioner, and the Commissioner
7 may pursue any and all remedies available under the law against Snap, if the Commissioner
8 discovers that Snap knowingly, or willfully withheld or misrepresented material information.

9 13. Commissioner’s Duties. Nothing in this Consent Order limits the Commissioner’s
10 ability to assist any other government agency with any action brought by that agency (city, county,
11 state or federal) with any prosecution, administrative, civil, and/or criminal brought by any such
12 agency against Snap, including an action based on any of the acts, omissions, or events described in
13 this Consent Order.

14 14. Independent Legal Advice. Each party represents that he or she has received
15 independent advice from its counsel or representatives regarding the advisability of executing this
16 Consent Order.

17 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
18 Consent Order he or she has relied solely on the statements set forth herein and the advice of his or
19 her own counsel. Each of the parties further represents, warrants, and agrees that in executing this
20 Consent Order he or she has placed no reliance on any statement, representation, or promise of any
21 other party, or any other person or entity not expressly set forth herein, or upon the failure of any
22 party or any other person or entity to make any statement, representation or disclosure of anything
23 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
24 any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of
25 parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

26 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
27 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
28 parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any

1 other provision. No waiver by either party of any breach of, or of compliance with, any condition
2 or provision of this Consent Order by the other party will be considered a waiver of any other
3 condition or provision or of the same condition or provision at another time.

4 17. Effect Upon Future Proceedings. If Snap applies for any license, permit or
5 qualification under the Commissioner’s current or future jurisdiction, or are the subject of any
6 future action by the Commissioner to enforce this Consent Order, then the subject matter hereof
7 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

8 18. Full Integration. This Consent Order is the final written expression and the complete
9 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
10 between the parties with respect to the subject matter hereof, and supersedes all prior or
11 contemporaneous agreements, negotiations, representations, understandings, and discussions
12 between and among the parties, their respective representatives, and any other person or entity, with
13 respect to the subject matter covered hereby.

14 19. No Presumption Against Drafting Party. Each party acknowledges that he or she has
15 had the opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the
16 parties intend that no presumption for or against the drafting party will apply in construing any part
17 of this Consent Order. The parties waive the benefit of California Civil Code section 1654 as
18 amended or corresponding provisions of any successor statute, which provide that in cases of
19 uncertainty, language of a contract should be interpreted most strongly against the party that caused
20 the uncertainty to exist.

21 20. Headings. The headings in this Consent Order are for convenience only and will not
22 be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

23 21. Governing Law. This Consent Order shall be construed and enforced in accordance
24 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
25 court in California, administrative or otherwise, best suited to handle any action or proceeding
26 under this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
27 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

28 22. Voluntary Agreement. Snap enters into this Consent Order voluntarily and without

1 coercion and acknowledges that no promises, threats or assurances have been made by the
2 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
3 and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and
4 without any duress or undue influence of any kind from any source.

5 23. Notice. Any notice required under this Consent Order shall be provided to each party
6 at the following addresses.

7 To Snap: Jeremiah McKee, President
8 6000 S. Rio Grande Ave #103
9 Orlando, Florida 32809
jay@snapdebtrecovery.com

10 To the Commissioner: Sophia Kim, Senior Counsel
11 Department of Financial Protection and Innovation
12 320 West 4th Street, Suite 750
13 Los Angeles, California 90013
Sophia.Kim@dfpi.ca.gov

14 24. Counterparts. This Consent Order may be executed in any number of counterparts,
15 each of which will be deemed an original when executed. All counterparts together will be deemed
16 to constitute a single document.

17 25. Signatures. A signature delivered by facsimile or email will be deemed an original
18 signature.

19 26. Public Record. Snap acknowledges that this Consent Order is and will be a matter of
20 public record.

21 27. Effective Date. This Consent Order will become effective on the date it is signed by
22 all parties and delivered by the Commissioner to Snap by electronic mail at
23 jay@snapdebtrecovery.com.

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

Dated: October 22, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: October 22, 2024

SNAP RECOVERY, INC.

By _____
JEREMIAH MCKEE
President