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

In the Matter of:)	DCLA LICENSE No.: 10389-99
)	
THE COMMISSIONER OF FINANCIAL)	SETTLEMENT AGREEMENT
PROTECTION AND INNOVATION,)	
)	
Complainant.)	
)	
v.)	
)	
AMERICAN DEBT HOLDINGS LLC,)	
)	
Respondent.)	
)	

This Settlement Agreement is entered into between the Commissioner of Financial Protection and Innovation (Complainant or Commissioner) and Respondent American Debt Holdings LLC (Respondent) and is made with respect to the following facts:

I.

RECITALS

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

SETTLEMENT AGREEMENT

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

5 C. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, or propose to
6 engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer
7 financial products or services.” (Cal. Fin. Code § 90003(a)(1)).

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

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

13 F. “Financial product or service” includes, among other things, “[c]ollecting debt
14 relating to a consumer financial product or service.” (Cal. Fin. Code § 90005(k)(10)).

15 G. “Financial product or service” also includes, among other things, [e]xtending credit
16 and servicing extensions of credit, including acquiring, purchasing, selling, brokering extensions of
17 credit, other than solely extending commercial credit to a person who originates consumer credit
18 transactions. (Cal. Fin. Code § 90005(k)(1)).

19 H. Respondent is a Florida limited liability company.

20 I. Respondent has a principal place of business at 7754 Okeechobee Blvd., West Palm
21 Beach, Florida 33411.

22 J. Respondent is licensed as a debt collector under the DCLA with license number(s)
23 10389-99.

24 K. Respondent collects debt related to a consumer financial product or service, including
25 but not limited to extensions of credit. (Cal Fin. Code § 90005(k)(1), (10).)

26 L. Because Respondent collects debts relating to consumer financial products and
27 services, they are a covered person under the CCFPL (Cal Fin. Code § 90005(f)).

28 M. California Financial Code section 100021(a) requires all DCLA licensees to file an

1 annual report with the Commissioner, on or before March 15, that contains all relevant information
2 that the Commissioner reasonably requires concerning the business and operations conducted by the
3 licensee in the state during the preceding calendar year, including information regarding collection
4 activity (Annual Report).

5 N. Pursuant to California Financial Code section 100015(a), the Commissioner is
6 authorized to establish relationships or contracts with the Nationwide Multistate Licensing System
7 & Registry (NMLS)¹ to collect and maintain records and process transaction fees or other fees
8 related to licensees or other persons subject to this division. Pursuant to California Code of
9 Regulations, title 10, section 1850.16, the licensee shall establish an email for communications
10 from the Commissioner (Designated Email Address). The email account shall be established and
11 monitored in accordance with the requirements in California Financial Code section 331.5. By
12 registering the Designated Email Address, the applicant consents to receive information from the
13 Commissioner at that email address, including, but not limited to, assessment notices.

14 O. On September 16, 2024, the Commissioner instructed all DCLA licensees via their
15 Designated Email Address to verify that their current Designated Email Address meets the
16 requirements and to update as needed.

17 P. On October 17, 2024, the Commissioner notified all DCLA licensees who had not
18 yet provided a Designated Email Address via the email listed under Primary Company Contact on
19 NMLS that they must provide a Designated Email Address immediately.

20 Q. On December 6, 2024, the Commissioner provided all DCLA licensees via the
21 Designated Email Address with a sample of the Annual Report stating that detailed filing
22 instructions and access to the Annual Report will be provided on January 2, 2025. The email
23 reminded DCLA licensees that if they were licensed as of December 31, 2024, they must file the
24 Annual Report via the DFPI Self-Service Portal by March 15, 2025.

25 R. Also on December 6, 2024, the Commissioner again notified all DCLA licensees
26

27 ¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for non-depository,
28 financial services licensing or registration in participating agencies, including the District of Columbia and U.S.
Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In these jurisdictions, NMLS is the official system for
companies and individuals seeking to apply for, amend, renew and surrender licenses authorities managed through
NMLS.

1 who had not yet provided a Designated Email Address via the email listed under Primary Company
2 Contact on NMLS that they must provide a Designated Email Address immediately. The
3 Commissioner also provided these licensees with a sample of the Annual Report stating that
4 detailed filing instructions and access to the Annual Report will be provided on January 2, 2025, but
5 they will not receive detailed filing instructions and access to the annual report without a
6 Designated Email Address. The email reminded the DCLA licensees that if they were licensed as
7 of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March
8 15, 2025.

9 S. On January 3, 2025, the Commissioner notified all DCLA licensees via the
10 Designated Email Address that the Annual Report was accessible via the DFPI Self-Service Portal
11 and provided instructions for filing the Annual Report.

12 T. On February 14, 2025, the Commissioner again reminded all DCLA licensees via the
13 Designated Email Address that all DCLA licensees must file the Annual Report by the deadline of
14 March 15, 2025.

15 U. On March 3, 2025, the Commissioner gave a final reminder to all DCLA licensees
16 via the Designated Email Address that all DCLA licensees who were licensed as of December 31,
17 2024, must file the Annual Report by the deadline of March 15, 2025, stating that failure to file the
18 Annual Report may subject the DCLA licensee to suspension, revocation, penalties, or other
19 enforcement action.

20 V. As of March 16, 2025, Respondent, who was licensed as of June 28, 2023, had not
21 filed its Annual Report with the Commissioner, in violation of California Financial Code section
22 100021(a). As a result, on March 18, 2025, the Commissioner issued a Notice of Failure to File
23 Annual Report by March 15, 2025 (Failure Notice) to Respondent via certified mail and Designated
24 Email Address or the email listed under Company Contact on NMLS notifying Respondent that the
25 Department will issue a Desist and Refrain Order and Order Assessing Penalties under California
26 Financial Code section 90015(c) and (d)(1) and will also move to revoke Respondent's DCLA
27 license under California Financial Code sections 100003(b)(3) and 100003.3(b)(1) if the Annual
28 Report is not filed before March 28, 2025.

Y. On April 4, 2025, Respondent notified the Commissioner that Respondent wished to resolve the Desist and Refrain Order without a hearing.

AA. The Commissioner finds that entering into this Settlement Agreement is in the public interest and consistent with the purposes fairly intended by the policies and provisions of the CCFPL and DCLA.

II.

1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy and expediency and without the uncertainty and expense of a hearing or other litigation.

2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section 90015(d), Respondent is hereby ordered to desist and refrain from engaging in unlawful acts and practices with respect to consumer financial products or services in violation of the California Financial Code section 90003(a)(1). Respondent is also hereby ordered to desist and refrain from offering or providing to a consumer any financial product or service not in conformity with the following consumer financial laws, including California Financial Code section 100021(a) of the DCLA, in violation of California Financial Code section 90003(a)(2). This desist and refrain order is

1 final and effective from the effective date of this Settlement Agreement, as defined in paragraph 26
2 (Effective Date).

3 3. Administrative Penalty. Respondent shall pay an administrative penalty of \$1,000.00
4 no later than 30 days after the Effective Date of this Settlement Agreement as defined in paragraph
5 26. The penalty shall be invoiced through NMLS. The NMLS payment instruction will reference
6 40228. In the alternative, Respondent may pay by Automated Clearing House (ACH) or a cashier's
7 check directly to the Department of Financial Protection and Innovation (DFPI) to the attention of
8 Accounting – Litigation, Department of Financial Protection and Innovation, 651 Bannan Street,
9 Suite 300, Sacramento, California 95811. For any payment(s) made directly to the DFPI, notice of
10 the payment(s) must be concurrently sent to Sonia Singh, Senior Counsel, Department of Financial
11 Protection and Innovation, 320 West 4th Street, Suite 750, Los Angeles, CA 90013 /
12 Sonia.Singh@dfpi.ca.gov.

13 4. License Surrender. In consideration of Respondent satisfying the administrative
14 penalty provision in paragraph 3, the Department agrees it will not unduly delay processing of
15 Respondent's license surrender request.

16 5. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph
17 3, the Commissioner may summarily suspend Respondent from engaging in business under its
18 DCLA license until it provides evidence of compliance to the Commissioner's satisfaction.
19 Respondent hereby waives any notice or hearing rights afforded under the Administrative Procedure
20 Act, including California Government Code section 11415.60(b); Code of Civil Procedure; or any
21 other provision of law to contest the summary suspension contemplated by this paragraph.

22 6. Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner
23 is ready, willing, and able to proceed with a hearing on the Desist and Refrain Order on the charges
24 contained therein. Respondent 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 CCFPL, DCLA, the
26 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
27 provision of law.
28

7. Full and Final Resolution. The parties hereby acknowledge and agree that this Settlement Agreement is intended to constitute a full and final resolution of the violations described herein, and that no further proceedings or actions will be brought by the Commissioner in connection with these matters except under the CCFPL or DCLA or any other provision of law, excepting therefrom any proceeding to enforce compliance with the terms of this Settlement Agreement.

8. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other available remedies it may invoke under the CCFPL or DCLA, summarily suspend/revoke the DCLA license of Respondent until Respondent is in compliance. Respondent waives any notice and hearing rights to contest such summary suspensions/revocations which may be afforded under the CCFPL, DCLA, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

9. Information Willfully Withheld or Misrepresented. This Settlement Agreement may be revoked, and the Commissioner may pursue any and all remedies available under law against Respondent if the Commissioner discovers that Respondent knowingly or willfully withheld or misrepresented information used for and relied upon in this Settlement Agreement.

10. Future Actions by Commissioner. If Respondent fails to comply with the terms of the Settlement Agreement, the Commissioner may institute proceedings for any and all violations otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring any future actions against Respondent, or any of its partners, owners, officers, shareholders, directors, employees, or successors for any and all unknown violations of the CCFPL or DCLA.

11. Assisting Other Agencies. Nothing in this Settlement Agreement limits the Commissioner's ability to assist any other government agency (city, county, state or federal) with any prosecution, administrative, civil or criminal action brought by that agency against Respondent or any other person based on any of the activities alleged in this matter or otherwise.

12. No Presumption Against Drafter. Each party acknowledges that it has had the opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the parties intend no presumption for or against the drafting party will apply in construing any part of

1 this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or
2 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
3 language of a contract should be interpreted most strongly against the party who caused the
4 uncertainty to exist.

5 13. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
6 has had the opportunity to receive independent advice from an attorney(s) and/or representatives
7 with respect to the advisability of executing this Settlement Agreement.

8 14. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
9 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
10 of the provisions hereof.

11 15. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
12 successors in interest.

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

23 17. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
24 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
25 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
26 any other provision. No waiver by either party of any breach of, or of compliance with, any
27 condition or provision of this Settlement Agreement by the other party will be considered a waiver
28 of any other condition or provision or of the same condition or provision at another time.

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

19. Governing Law. This Settlement Agreement will be governed by and construed in accordance with California law. Each of the parties hereto consents to the jurisdiction of such court and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

20. Counterparts. This Settlement Agreement may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

21. Effect Upon Future Proceedings. If Respondent applies for any license, permit or qualification under the Commissioner's current jurisdiction, or are the subject of any future action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

22. Voluntary Agreement. Respondent hereby enters into this Settlement Agreement voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each represent and acknowledge that he, she or it is executing this Settlement Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

23. Notice. Any notice required under this Settlement Agreement shall be provided to each party at the following addresses:

To Respondent:	American Debt Holdings LLC
	Attn: Daphne Wilson, Chief Executive Officer
	7754 Okeechobee Blvd
	West Palm Beach, FL 33411
	dwilson@americandebtholdings.us

To the Commissioner: Sonia Singh, Senior Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
Sonia.Singh@dfpi.ca.gov

24. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

25. Public Record. Respondent hereby acknowledges that the Settlement Agreement is and will be a matter of public record.

26. Effective Date. This Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Respondent at the following email address: dwilson@americandebtholdings.us.

27. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

Dated: April 30, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: April 30, 2025

AMERICAN DEBT HOLDINGS LLC

By _____
Daphne Wilson, Chief Executive Officer