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

In the Matter of:	)	DESIST AND REFRAIN ORDER AND
	)	ORDER ASSESSING PENALTIES
THE COMMISSIONER OF FINANCIAL	)	
PROTECTION AND INNOVATION,	)	
	)	(Cal. Fin. Code § 90015(b), (c), (d)(1))
Complainant.	)	
	)	
v.	)	
	)	
QUEST LEGAL GROUP,	)	
	)	
Respondent.	)	
	)	

The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department), is informed and believes, and based on such information and belief, finds the following:

**I.**

**Introduction**

1. 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).

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2. The Commissioner also has jurisdiction over the regulation of persons who engage, have engaged, or propose to engage in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code §§ 90000-90019). Collecting debt relating to a consumer financial product or service is conduct covered by the CCFPL. (Cal. Fin. Code § 90005(k)(10)).

3. At all relevant times, Quest Legal Group (Quest) was an entity of unknown origin with the following purported mailing addresses:

- a. 3911 Cleveland Ave. #33748, San Diego, California 92103; and
- b. 901 Broadway #24210, Nashville, Tennessee 37202.

4. Quest operated a website at [www.QuestLegalGroup.com](http://www.QuestLegalGroup.com) and used the phone number 1-800-861-8912.

## II.

### Factual Background

5. In September 2024, Quest sent a California consumer (Consumer A) a letter on letterhead stating, “NOTIFICATION OF LAWSUIT & CIVIL COMPLAINT,” and included a file number and a purported balance due of \$660.05.

6. Additionally, in September 2024, Quest sent another California consumer (Consumer B) a letter on letterhead stating, “NOTIFICATION OF LAWSUIT & CIVIL COMPLAINT,” and included a file number and a purported balance due of \$937.64.

7. The letters to Consumer A and Consumer B included unlawful and/or deceptive statements in attempts to collect a consumer debt, as follows:

a. Quest sought to collect consumer debts on behalf of a creditor with whom Consumer A and Consumer B have no recollection of ever having an account.

b. The letters stated:

This letter is to inform you that due to the severe delinquency of your previous installment loan originating with **EZMONEY (a subsidiary of EZCORP)** while working at or for ..., we are now reviewing your account for immediate legal action (filing a lawsuit) against you, of which would result in a civil court judgment. A civil judgment will immediately be reported to the credit bureau and will be aggressively enforced. In addition to the current balance owing on your account, any back interest,

1 court costs and attorney fees will be added to this debt and the total  
2 amount sought in a lawsuit.

3 **Civil judgments generally result in a wage garnishment and/or lien**  
4 **against personal property or bank account.** Please note: Our asset  
investigation on you has also revealed that you are the property owner of  
(lien address): ...

5 We further reserve the right to subpoena the following reference(s) listed  
6 on the original application as witnesses to testify against you should this  
7 matter go to trial: ...

8 It is very important that you pay the outstanding balance owing on your  
9 account no later than the date referenced above. **If your payment is not**  
10 **received by our office by your date, or if we do not hear from you, our**  
11 **intent is to immediately have you served a court summons by the**  
12 **County Sheriff's Office to appear in civil court for further action.**  
(emphasis added).

13 c. Quest falsely represented that a legal proceeding had been, was about to be, or  
14 would be instituted unless the consumers paid the purported debts, in violation of California Civil  
15 Code section 1788.13(j) of the Rosenthal Fair Debt Collection Practices Act (Rosenthal Act) (Cal.  
16 Civ. Code §§ 1788-1788.33). Consumer A and Consumer B do not have accounts with EZMONEY  
17 or EZCORP. Thus, Quest would have no grounds to initiate legal proceedings against Consumer A  
or Consumer B for the purported debts.

18 d. By attempting to convince Consumer A and Consumer B to send Quest  
19 payments for debts from a creditor with whom neither Consumer A nor Consumer B had  
20 recollection of every having an account, Quest used false, deceptive, or misleading representations  
21 or means in connection with the collection of a debt. This violates title 15 of the United States Code  
22 section 1692e(2) and (10) of the Fair Debt Collection Practices Act (FDCPA) (15 U.S.C. §§ 1692 to  
23 1692p).

24 e. Quest represented or implied that nonpayment of the purported debts would  
25 result in the garnishment of Consumer A and Consumer B's wages, and/or the attachment of  
26 Consumer A and Consumer B's property, in violation of title 15 of the United States Code section  
27 1692e(4) of the FDCPA, as well as California Civil Code section 1788.10(e) of the Rosenthal Act.

28 8. The misrepresentations in the letters were material and likely to mislead a consumer

1 acting reasonably under the circumstances, constituting deceptive acts or practices, in violation of  
2 California Financial Code section 90003(a)(1).

3 Failure to Submit License Application in Violation of the DCLA

4 9. The DCLA, which became effective on January 1, 2021, requires persons engaged in  
5 the business of debt collection in California to be licensed beginning on January 1, 2022, pursuant to  
6 California Financial Code section 100001(a). Pursuant to California Financial Code section  
7 100000.5(a), the Commissioner shall allow any debt collector that submits an application before  
8 January 1, 2023, to operate pending the approval or denial of the application.

9 10. The Commissioner has not issued a license to Quest authorizing it to engage in the  
10 business of debt collection under the DCLA. Furthermore, Quest has not applied for a license under  
11 the DCLA. Quest is not exempt from the licensing requirements of California Financial Code  
12 section 100001.

13 11. Starting in or around September 2024, Quest engaged in the unlicensed business of  
14 debt collection in this state by attempting to collect a debt from at least two California consumers, in  
15 violation of California Financial Code section 100001(a), and engaged in additional unlawful and/or  
16 deceptive acts or practices, as described in paragraphs 5 through 8 above.

17 **III.**

18 **Applicable Law**

19 12. California Financial Code section 100001(a) provides that “[n]o person shall engage  
20 in the business of debt collection in this state without first obtaining a license.” California Financial  
21 Code section 100000.5(a) states, “[t]he Commissioner shall allow any debt collector that submits an  
22 application before January 1, 2023, to operate pending the approval or denial of the application.”

23 13. California Financial Code section 100002(h) defines “debt” as “money, property, or  
24 their equivalent that is due or owing or alleged to be due or owing from a natural person to another  
25 person.”

26 14. California Financial Code section 100002(f) provides:

27 “Consumer debt” or “consumer credit” as means money, property, or their  
28 equivalent, due or owing, or alleged to be due or owing, from a natural  
person by reason of a consumer credit transaction. The term “consumer  
debt” includes a mortgage debt. The term “consumer debt” includes

“charged-off consumer debt” as defined in Section 1788.50 of the Civil Code.

15. California Financial Code section 100002(i) defines “debt collection” as “any act or practice in connection with the collection of consumer debt.”

16. California Financial Code section 100002(j) provides:

“Debt collector” means any person who, in the ordinary course of business, regularly, on the person’s own behalf or on behalf of others, engages in debt collection. The term includes any person who composes and sells, or offers to compose and sell, forms, letters and other collection media used or intended to be used for debt collection. The term “debt collector” includes “debt buyer” as defined in Section 1788.50 of the Civil Code.

17. California Financial Code section 90005(e) defines “consumer financial product or service” as including “[a] financial product or service that is delivered, offered, or provided for use by consumers primarily for personal, family, or household purposes.”

18. California Financial Code section 90005(k) provides in relevant part:

(k) “Financial product or service” means: . . . (1) Extending credit and servicing extensions of credit, including acquiring, purchasing, selling, brokering extensions of credit, other than solely extending commercial credit to a person who originates consumer credit transactions . . . (10) Collecting debt related to any consumer financial product or service . . . .

19. California Financial Code section 90003(a) provides in relevant part:

(a) It is unlawful for a covered person or service provider, as defined in subdivision (f) of Section 90005, to do any of the following:

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

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

20. California Financial Code section 90005(f) provides in relevant part:

(f) “Covered person” means, to the extent not preempted by federal law, any of the following: (1) Any person that engages in offering or providing a consumer financial product or service to a resident of this state . . . .

21. The DCLA, the Rosenthal Act, and the FDCPA are consumer financial laws within the meaning of California Financial Code section 90003(a)(2).

22. Section 1788.10(e) of the Rosenthal Act provides in relevant part:

No debt collector shall collect or attempt to collect a consumer debt by means of the following conduct: . . . (e) The threat to any person that nonpayment of the consumer debt may result in the arrest of the debtor or the seizure, garnishment, attachment or sale of any property or the garnishment or attachment of wages of the debtor, unless such action is in fact contemplated by the debt collector and permitted by the law . . .

23. Section 1788.13 of the Rosenthal Act provides in relevant part:

No debt collector shall collect or attempt to collect a consumer debt by means of the following practices: . . . (j) The false representation that a legal proceeding has been, is about to be, or will be instituted unless payment of a consumer debt is made . . . .

24. Section 1788.17 of the Rosenthal Act provides in relevant part:

Notwithstanding any other provision of this title, every debt collector collecting or attempting to collect a consumer debt shall comply with the provisions of Sections 1692b to 1692j, inclusive, of, and shall be subject to the remedies in Section 1692k of, Title 15 of the United States Code . . .

25. Section 1692e of the FDCPA provides in relevant part:

A debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section: (2) The false representation of (a) the character, amount, or legal status of any debt . . . (4) The representation or implication that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person unless such action is lawful and the debt collector or creditor intends to take such action. . . (10) The use of any false representation of deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer . . .

26. California Financial Code section 90015(d) provides:

(1) If, in the opinion of the department, any person engages, has engaged, or proposes to engage in any activity prohibited by Section 90003 or 90004, or an activity, act, practice, or course of business that violates a law, rule, order, or any condition imposed in writing on the person by the department, the department may issue an order directing the person to desist and refrain from engaging in the activity, act, practice, or course of

business.

(2) If that person fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the commissioner.

27. California Financial Code section 90015(c) provides, “[a]fter notice and an opportunity to be heard, the commissioner may, by order, assess penalties under subdivision (c) of Section 90012.

28. California Financial Code section 90012(c) provides in relevant part:

In any civil or administrative action brought pursuant to this division, the following penalties shall apply:

(1) Any person that violates, through any act or omission, any provision of this division shall forfeit and pay a penalty pursuant to this subdivision.

(A) The penalty amounts are as follows:

(i) For any violation of this division, rule or final order, or condition imposed in writing by the department, a penalty may not exceed the greater of either five thousand dollars (\$5,000) for each day during which the violation or failure to pay continues, or two thousand five hundred dollars (\$2,500) for each act or omission in violation . . .

#### IV.

#### **Desist and Refrain Order**

29. Based on the foregoing findings, the Commissioner is of the opinion that Quest is a “covered person” that engaged in unlawful acts or practices with respect to consumer financial products or services in violation of California Financial Code section 90003(a)(1). Further, the Commissioner finds that Quest violated California Financial section 90003(a)(2) by offering or providing to a consumer a financial product or service not in conformity with, or otherwise committed any act or omission in violation of, the following consumer financial laws:

- a. California Financial Code section 1000001(a) of the DCLA;
- b. California Civil Code section 1788.10(e) of the Rosenthal Act;
- c. California Civil Code section 1788.13(j) of the Rosenthal Act;
- d. California Civil Code section 1788.17 of the Rosenthal Act; and
- e. 15 U.S.C. section 1692e(2), (4) and (10) of the FDCPA.

30. Pursuant to California Financial Code section 90015(d)(1), Quest and its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from engaging in, or proposing to engage in, unlawful acts or practices in collecting or attempting to collect any consumer debt in violation of California Financial Code section 90003(a)(2), including but not limited to violating the following:

- a. California Financial Code section 1000001(a) of the DCLA;
- b. California Civil Code section 1788.10(e) of the Rosenthal Act;
- c. California Civil Code section 1788.13(j) of the Rosenthal Act;
- d. California Civil Code section 1788.17 of the Rosenthal Act; and
- e. 15 U.S.C. section 1692e(2), (4) and (10) of the FDCPA.

31. Furthermore, based on the foregoing findings, the Commissioner is of the opinion that Quest is a “covered person” that engaged in deceptive acts or practices with respect to “consumer financial products or services” in violation of California Financial Code section 90003(a)(1).

32. Pursuant to California Financial Code section 90015(d)(1), Quest and its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from engaging in, or proposing to engage in, deceptive acts or practices in collecting or attempting to collect any consumer debt in violation of California Financial Code section 90003(a)(1).

33. This Order is necessary, in the public interest, for the protection of consumers and consistent with the purposes, policies, and provisions of the California Consumer Financial Protection Law. This Order shall remain in full force and effect until further order of the Commissioner.

## V.

### **Order Assessing Penalties**

34. Pursuant to California Financial Code sections 90015(c) and 90012(c), and after due consideration of possible mitigating factors and other appropriateness considerations per California Financial Code section 90012(c)(1)(B), Quest is hereby ordered to pay an administrative penalty of \$30,000.00 to the Commissioner within 30 days of the date of this order. The penalty shall be made payable in the form of an Automated Clearing House deposit or cashier’s check payable to the



1 Department of Financial Protection and Innovation and transmitted to the attention of “Accounting –  
2 Litigation,” at the Department of Financial Protection and Innovation, 651 Bannan Street, Suite 300,  
3 Sacramento, California 95811. Notice of the payment shall be concurrently sent to the  
4 Commissioner’s Enforcement Counsel Sonia Singh via e-mail at Sonia.Singh@dfpi.ca.gov.

5  
6 Dated: May 23, 2025  
7 Sacramento, California

KHALIL MOHSENI  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division