

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

In the Matter of:	)	DCLA LICENSE No.: 11505-99
	)	
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,	)	SETTLEMENT AGREEMENT
	)	
Complainant.	)	
	)	
v.	)	
	)	
PRESTIGE SERVICING COMPANY, LLC,	)	
	)	
Respondent.	)	
	)	

This Settlement Agreement is entered into between the Commissioner of Financial Protection and Innovation (Complainant or Commissioner) and Respondent Prestige Servicing Company, 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.

B. 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).

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

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

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

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

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

12 H. Respondent is a Delaware corporation.

13 I. Respondent has a principal place of business at 2901 W. Coast Highway, Suite 200,  
14 Newport Beach, California 92663.

15 J. Respondent is licensed as a debt collector under the DCLA with license number(s)  
16 11505-99.

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

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

21 M. California Financial Code section 100021(a) requires all DCLA licensees to file an  
22 annual report with the Commissioner, on or before March 15, that contains all relevant information  
23 that the Commissioner reasonably requires concerning the business and operations conducted by the  
24 licensee in the state during the preceding calendar year, including information regarding collection  
25 activity (Annual Report).

26 N. Pursuant to California Financial Code section 100015(a), the Commissioner is  
27 authorized to establish relationships or contracts with the Nationwide Multistate Licensing System  
28

1 & Registry (NMLS)<sup>1</sup> to collect and maintain records and process transaction fees or other fees  
2 related to licensees or other persons subject to this division. Pursuant to California Code of  
3 Regulations, title 10, section 1850.16, the licensee shall establish an email for communications  
4 from the Commissioner (Designated Email Address). The email account shall be established and  
5 monitored in accordance with the requirements in California Financial Code section 331.5. By  
6 registering the Designated Email Address, the applicant consents to receive information from the  
7 Commissioner at that email address, including, but not limited to, assessment notices.

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

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

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

19 R. Also on December 6, 2024, the Commissioner again notified all DCLA licensees  
20 who had not yet provided a Designated Email Address via the email listed under Primary Company  
21 Contact on NMLS that they must provide a Designated Email Address immediately. The  
22 Commissioner also provided these licensees with a sample of the Annual Report stating that  
23 detailed filing instructions and access to the Annual Report will be provided on January 2, 2025, but  
24 they will not receive detailed filing instructions and access to the annual report without a  
25 Designated Email Address. The email reminded the DCLA licensees that if they were licensed as  
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27 <sup>1</sup> 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 of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March  
2 15, 2025.

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

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

9 U. On March 3, 2025, the Commissioner gave a final reminder to all DCLA licensees  
10 via the Designated Email Address that all DCLA licensees who were licensed as of December 31,  
11 2024, must file the Annual Report by the deadline of March 15, 2025, stating that failure to file the  
12 Annual Report may subject the DCLA licensee to suspension, revocation, penalties, or other  
13 enforcement action.

14 V. As of March 16, 2025, Respondent, who was licensed as of October 7, 2024, had not  
15 filed its Annual Report with the Commissioner, in violation of California Financial Code section  
16 100021(a). As a result, on March 18, 2025 the Commissioner issued a Notice of Failure to File  
17 Annual Report by March 15, 2025 (Failure Notice) to Respondent via certified mail and Designated  
18 Email Address or the email listed under Company Contact on NMLS notifying Respondent that the  
19 Department will issue a Desist and Refrain Order and Order Assessing Penalties under California  
20 Financial Code section 90015(c) and (d)(1) and will also move to revoke Respondent's DCLA  
21 license under California Financial Code sections 100003(b)(3) and 100003.3(b)(1) if the Annual  
22 Report is not filed before March 28, 2025.

23 W. On March 20, 2025, Respondent filed its Annual Report. Pursuant to California  
24 Financial Code section 90012(b)(8), a penalty may be imposed for any unlawful act or practice with  
25 respect to consumer financial products or services in violation of California Financial Code sections  
26 90003(a)(1), (a)(2), and 100021(a).

27 X. Therefore, on April 1, 2025, the Commissioner issued a Desist and Refrain Order and  
28 Order Assessing Penalties pursuant to California Financial Code section 90015(c) and (d)(1)

1 (Order).

2 Y. On or around April 3, 2025, the Department served the Order on Respondent via  
3 certified mail and Designated Email Address or the email listed under Company Contact on NMLS.  
4 The Department has not received a request for a hearing regarding the Order and the time to request  
5 a hearing has expired. As such, the Order is a final order.

6 Z. The Order directed Respondent to pay a penalty of \$5,000.00 within 30 days of the  
7 date of the Order, or by no later than May 1, 2025. As of the current date Respondent has not paid  
8 the penalty pursuant to the Order.

9 AA. Therefore, on May 14, 2025, the Commissioner issued a Notice of Intention to Issue  
10 Order Revoking Debt Collection Licensing Act License, Accusation, and accompanying documents  
11 pursuant to California Financial Code sections 100003(b)(3) and 100003.3(b)(1) and (b)(6) for  
12 DCLA license number 11505-99 (Accusation).

13 BB. On April 30, 2025 and June 4, 2025 Respondent notified the Commissioner that  
14 Respondent wished to resolve this matter without a hearing.

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

18 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
19 forth herein, the parties agree as follows:

20 **II.**

21 **TERMS AND CONDITIONS**

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

24 2. Withdrawal of Notice of Intention to Revoke. The Commissioner hereby withdraws  
25 the Notice of Intention to Issue Order Revoking Debt Collection Licensing Act License issued to  
26 Respondent on May 14, 2025.

27 3. Administrative Penalty. Respondent shall pay an administrative penalty of \$2,500.00  
28 as stated in (a) through (c) below. The penalty shall be invoiced through NMLS. The NMLS

1 payment instruction will reference 11505-99 In the alternative, Respondent may pay by Automated  
2 Clearing House (ACH), company check, cashier’s check, or money order directly to the Department  
3 of Financial Protection and Innovation (DFPI) to the attention of Accounting – Litigation,  
4 Department of Financial Protection and Innovation, 651 Bannan Street, Suite 300, Sacramento,  
5 California 95811. For any payment(s) made directly to the DFPI, notice of the payment(s) must be  
6 concurrently sent to Melinda Lee via e-mail at Melinda.Lee@dfpi.ca.gov.

- 7 a. \$1,500.00 due by no later than June 20, 2025;
- 8 b. \$500.00 due by no later than July 1, 2025;
- 9 c. \$500.00 due by no later than August 1, 2025.

10 4. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph  
11 3, the Commissioner may summarily suspend Respondent from engaging in business under its  
12 DCLA license until it provides evidence of compliance to the Commissioner’s satisfaction.  
13 Respondent hereby waives any notice or hearing rights afforded under the Administrative Procedure  
14 Act, including California Government Code section 11415.60(b); Code of Civil Procedure; or any  
15 other provision of law to contest the summary suspension contemplated by this paragraph.

16 5. Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner  
17 is ready, willing, and able to proceed with a hearing on the Accusation on the charges contained  
18 therein. Respondent hereby waives the right to any hearings, and to any reconsideration, appeal, or  
19 other right to review which may be afforded pursuant to the CCFPL, DCLA, the California  
20 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law.

21 6. Full and Final Resolution. The parties hereby acknowledge and agree that this  
22 Settlement Agreement is intended to constitute a full, final, and complete resolution of the findings  
23 contained herein, and that no further proceedings or actions will be brought by the Commissioner in  
24 connection with the findings under the DCLA, Rosenthal Act, CCFPL or any other provision of law,  
25 excepting therefrom any proceeding to enforce compliance with the terms of this Settlement  
26 Agreement.

27 7. Failure to Comply with Settlement Agreement. Respondent agrees that if it fails to  
28 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other

1 available remedies it may invoke under the CCFPL or DCLA, summarily suspend/revoke the DCLA  
2 license of Respondent until Respondent is in compliance. Respondent waives any notice and  
3 hearing rights to contest such summary suspensions/revocations which may be afforded under the  
4 CCFPL, DCLA, the California Administrative Procedure Act, the California Code of Civil  
5 Procedure, or any other provision of law in connection therewith.

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

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

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

19 11. No Presumption Against Drafter. Each party acknowledges that it has had the  
20 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the  
21 parties intend no presumption for or against the drafting party will apply in construing any part of  
22 this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended or  
23 corresponding provisions of any successor statute, which provide that in cases of uncertainty,  
24 language of a contract should be interpreted most strongly against the party who caused the  
25 uncertainty to exist.

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

1           13.    Headings. The headings to the paragraphs of this Settlement Agreement are inserted  
2 for convenience only and will not be deemed a part hereof or affect the construction or interpretation  
3 of the provisions hereof.

4           14.    Binding. This Settlement Agreement is binding on all heirs, assigns, and/or  
5 successors in interest.

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

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

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

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

25. 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: anthony@stratus.finance.

26. 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: 06/17/2025

KHALIL MOHSENI

Sacramento, California

Commissioner of Financial Protection and Innovation



By \_\_\_\_\_

MELINDA LEE  
Deputy Commissioner  
Debt Collection Licensing Act

Dated: 17 June 2025

PRESTIGE SERVICING COMPANY, LLC

By \_\_\_\_\_

Anthony Geraci, Chief Executive Officer