

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

In the Matter of:	)	DCLA LICENSE No.: 11382-99
	)	
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,	)	SETTLEMENT AGREEMENT
	)	
Complainant.	)	
	)	
v.	)	
	)	
COB FINANCIAL LLC,	)	
	)	
Respondent.	)	
	)	

This Settlement Agreement is entered into between the Commissioner of Financial Protection and Innovation (Complainant or Commissioner) and Respondent COB Financial 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, and 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 California limited liability company.

13 I. Respondent has a principal place of business at 1550 E Washington Street, Suite 104,  
14 Colton, California 92324.

15 J. Respondent is licensed as a debt collector under the DCLA with license number  
16 11382-99.

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  
26

---

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

22 W. As of March 28, 2025, or 10 calendar days after the Failure Notice, Respondent had  
23 still not filed its Annual Report with the Commissioner, in continuing violation of California  
24 Financial Code section 100021(a).

25 X. Therefore, on April 1, 2025, the Commissioner issued a Desist and Refrain Order and  
26 Order Assessing Penalties pursuant to California Financial Code section 90015(c) and (d)(1) (Desist  
27 and Refrain Order) and a Notice of Intention to Issue Order Revoking Debt Collection Licensing Act  
28 License, Accusation, and accompanying documents pursuant to California Financial Code sections

1 100003(b)(3) and 100003.3(b)(1) for DCLA license number 11382-99 (Accusation).

2 Y. As of April 17, 2025, the Department had not received a request for a hearing from  
3 Respondent regarding the Accusation and the time to request a hearing had expired.

4 Z. Therefore, on April 17, 2025, the Commissioner issued the Order Revoking Debt  
5 Collection Licensing Act License to Respondent for DCLA license number 11382-99.

6 AA. On or around April 21, 2025, or 33 calendar days after the Failure Notice,  
7 Respondent filed its Annual Report with the Commissioner, in violation of California Financial  
8 Code section 100021(a). Pursuant to California Financial Code section 90012(b)(8), a penalty may  
9 be imposed for any unlawful act or practice with respect to consumer financial products or services  
10 in violation of California Financial Code sections 90003(a)(1), (a)(2), and 100021(a).

11 BB. On April 21, 2025, Respondent notified the Commissioner that Respondent wished to  
12 resolve the Desist and Refrain Order without a hearing.

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

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

18 **II.**

19 **TERMS AND CONDITIONS**

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

22 2. Finality of Desist and Refrain Order. Pursuant to California Financial Code section  
23 90015(d), Respondent is hereby ordered to desist and refrain from engaging in unlawful acts and  
24 practices with respect to consumer financial products or services in violation of the California  
25 Financial Code section 90003(a)(1). Respondent is also hereby ordered to desist and refrain from  
26 offering or providing to a consumer any financial product or service not in conformity with the  
27 following consumer financial laws, including California Financial Code section 100021(a) of the  
28 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. Withdrawal of Order Revoking. The Commissioner hereby withdraws the Order  
4 Revoking Debt Collection Licensing Act License issued to Respondent on April 17, 2025.

5 4. Administrative Penalty. Respondent shall pay an administrative penalty of \$2,500.00  
6 as stated in (a) and (b) below. The penalty shall be invoiced through NMLS. The NMLS payment  
7 instruction will reference 11382-99.

8 a. \$1,250.00 due by no later than three calendar days after the Effective Date;

9 b. \$1,250.00 due by no later than 33 calendar days after the Effective Date.

10 5. Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph  
11 4, 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 6. Waiver of Notice and Hearing Rights. Respondent acknowledges the Commissioner  
17 is ready, willing, and able to proceed with a hearing on the Desist and Refrain Order and Accusation  
18 on the charges contained therein. Respondent hereby waives the right to any hearings, and to any  
19 reconsideration, appeal, or other right to review which may be afforded pursuant to the CCFPL,  
20 DCLA, the California Administrative Procedure Act, the California Code of Civil Procedure, or any  
21 other provision of law.

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

27 8. 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 9. 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 10. 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 11. 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)  
17 with any prosecution, administrative, civil or criminal action brought by that agency against  
18 Respondent or any other person based on any of the activities alleged in this matter or otherwise.

19 12. 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 13. 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           14.    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           15.    Binding. This Settlement Agreement is binding on all heirs, assigns, and/or  
5 successors in interest.

6           16.    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           17.    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           18.    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.

28 ///



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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: matthewolguin83@gmail.com.

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 28, 2025  
Sacramento, California

KHALIL MOHSENI  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MELINDA LEE  
Deputy Commissioner  
Debt Collection Licensing Act

Dated: April 28, 2025

COB FINANCIAL LLC

By \_\_\_\_\_  
Matthew Anthony Olguin, Chief Executive Officer