

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

<p>In the Matter of:</p> <p>THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,</p> <p style="padding-left: 40px;">Complainant,</p> <p style="padding-left: 80px;">v.</p> <p>Clearpath Recovery Solutions LLC,</p> <p style="padding-left: 40px;">Respondent.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>DCLA LICENSE NO.: 11516-99</p> <p>NOTICE OF INTENT TO ISSUE AN ORDER ASSESSING ADMINISTRATIVE PENALTIES; STATEMENT IN SUPPORT</p> <p>(Cal. Fin. Code §§ 90012(b), (c), 90015(c))</p>
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The Commissioner of Financial Protection and Innovation (Commissioner) is informed and believes, and based upon such information and belief, alleges and charges as follows:

I. STATEMENT OF FACTS

- A. Clearpath Recovery Solutions LLC (Respondent) has the Nationwide Multistate Licensing System & Registry (NMLS)¹ ID number 2670144.
- B. Respondent is a debt collector licensed by the Commissioner under the DCLA with license number(s) 11516-99.
- C. Respondent’s principal place of business is 7710 Balboa Ave. Ste. 313, San Diego, CA 92111.
- D. Pursuant to California Financial Code section 100020(a) each licensee shall pay to the Commissioner its pro rata share of all costs and expenses reasonably incurred in the administration of this division, as estimated by the Commissioner, for the ensuing year and any deficit actually incurred or anticipated in the administration of the division in the year in which the

¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for non-depository, 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 annual fee is levied (Annual Assessment).

2 E. On or around September 30, 2025, pursuant to California Financial Code section
3 100020(b) the Department duly notified Respondent via NMLS the amount of the annual fee
4 schedule that will take effect on January 1, 2026, and that if the payment is not made by January 1,
5 2026, the Commissioner shall assess and collect a penalty, in addition to the fee, of 1 percent of the
6 assessment for each month or part of a month that the payment is delayed or withheld (Agency Fee
7 Invoice). Moreover, the Agency Fee Invoice further notified Respondent that failure to pay the
8 Annual Assessment may result in an order to summarily suspend or revoke the Debt Collection
9 License Act license pursuant to California Financial Code section 100020(d).

10 F. On or around December 19, 2025, the Department again notified Respondent that
11 failure to pay the Annual Assessment on or before January 1, 2026 may result in an order to
12 summarily suspend or revoke the Debt Collection License Act license in addition to the mandatory
13 penalty to be assessed and collected pursuant to California Financial Code section 100020(b).

14 G. As of January 7, 2026, Respondent failed to pay the Annual Assessment and/or
15 penalty assessed pursuant to California Financial Code section 100020(a) and (b).

16 H. Therefore, on January 7, 2026, the Commissioner issued an Order Summarily
17 Revoking Debt Collection Licensing Act License number(s) 11516-99 pursuant to California
18 Financial Code section 100020(d) for failure to pay the Annual Assessment on or before January 1,
19 2026 (Order Summarily Revoking). The Order Summarily Revoking notified Respondent that its
20 Debt Collection Licensing Act License will immediately be placed in suspended status on NMLS
21 unless and until the Annual Assessment and any penalty is received in good funds by the Department
22 via NMLS within 30 days from the date of the Order Summarily Revoking. Failure to make this
23 payment as directed will result in Respondent's license status on NMLS being changed to revoked.
24 Respondent was further notified that on the effective date of the Order Summarily Revoking,
25 Respondent was ordered and directed to discontinue engaging in the business of collecting debt in
26 this state pursuant to the DCLA.

27 II. APPLICABLE LAW

28 I. The Commissioner has jurisdiction² over the licensing and regulation of persons

1 engaged in the business of debt collection in California under the Debt Collection Licensing Act
2 (DCLA) (Cal. Fin. Code §§ 100000 – 100025) and the rules and regulations promulgated thereunder.

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

7 K. California Financial Code section 90005 provides in relevant part:

8 (d) “Consumer financial law” means a federal or California law that
9 directly and specifically regulates the manner, content, or terms and
10 conditions of any financial transaction, or any account, product, or service
11 related thereto, with respect to a consumer . . .

12 (e) “Consumer financial product or service” means either of the following:
13 (1) A financial product or service that is delivered, offered, or provided for
14 use by consumers primarily for personal, family, or household purposes . .

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

18 (k) “Financial product or service” means . . . (1) Extending credit and
19 servicing extensions of credit . . . (10) **Collecting debt** related to any
20 consumer financial product or service (Emphasis added.)

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

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

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

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

M. The DCLA and regulations promulgated thereunder are consumer financial laws
within the meaning of California Financial Code section 90003(a)(2).

N. California Financial Code section 100020(d) states:

If a licensee fails to pay the annual fees on or before January 1, the commissioner may by order summarily suspend or revoke the license issued to the licensee. If, after an order is made, a request for hearing is filed in writing within 30 days, and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when the license is revoked or suspended, a licensee shall not engage in the business of collecting debt in this state pursuant to this division except as may be permitted by order of the commissioner. However, the revocation, suspension, or surrender of a license shall not affect the powers of the commissioner as provided in this division.

O. In any administrative action brought pursuant to the CCFPL, the Commissioner may, by order, after notice and opportunity to be heard, assess penalties, as provided in California Financial Code section 90012(c). (Cal. Fin. Code § 90015).

P. California Financial Code section 90012(c)(1)(A) states in relevant part:

(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.

(ii) Notwithstanding clause (i), for any reckless violation by a person of this division, rule or final order, or condition imposed by the department, a penalty may not exceed *the greater of* twenty-five thousand dollars (\$25,000) *for each day during which the violation continues*, or ten thousand dollars (\$10,000) for each act or omission in violation.

(iii) Notwithstanding clause (i) or (ii), for any knowing violation, by a person of this division, rule or final order, or condition imposed by the department, a penalty may not exceed the lesser of 1 percent of the person’s total assets, one million dollars (\$1,000,000) for each day during which the violation continues, or twenty-five thousand dollars (\$25,000) for each act or omission in violation (Emphasis applied).

III. NOTICE OF INTENT TO ISSUE AN ORDER ASSESSING ADMINISTRATIVE PENALTIES

Q. Based on the foregoing findings, the Commissioner is of the opinion that Respondent knowingly violated California Financial Code sections 90003(a)(2) and 100020 by failing to pay the Annual Assessment by January 1, 2026.

R. Pursuant to California Financial Code sections 90015(c) and 90012(c)(1)(A)(ii), the

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Commissioner hereby gives notice of intent to issue an order assessing administrative penalties against Respondent in the amount of twenty-five thousand dollars (\$25,000.00).

WHEREFORE, GOOD CAUSE APPEARING, the Commissioner prays for an order assessing administrative penalties against Respondent pursuant to California Financial Code sections 90015(c) and 90012(b) and (c) in the amount of \$25,000.00.

Dated: January 7, 2026
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
Electronic Signature by Herb Thompson
Acting Deputy Commissioner
Debt Collection Licensing Act