

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

In the Matter of:)	DCLA LICENSE NO.: 10195-99
)	
THE COMMISSIONER OF FINANCIAL)	ACCUSATION
PROTECTION AND INNOVATION,)	
)	
Complainant,)	
)	
v.)	
)	
TEK-COLLECT INCORPORATED,)	
)	
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 upon such information and belief, alleges and charges Tek-Collect Incorporated (Respondent) as follows:

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) and the rules and regulations promulgated thereunder.
2. Respondent is an Ohio corporation.
3. Respondent is a debt collector licensed by the Commissioner under the DCLA with license number(s) 10195-99. Respondent’s principal place of business is 871 Park Street, Columbus, Ohio 43215-1441.

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II.

Factual Background

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

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

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

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

8. On December 6, 2024, the Commissioner provided all DCLA licensees via the Designated Email Address with a sample of the Annual Report stating that detailed filing instructions and access to the Annual Report will be provided on January 2, 2025. The email

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 reminded DCLA licensees that if they were licensed as of December 31, 2024, they must file the
2 Annual Report via the DFPI Self-Service Portal by March 15, 2025.

3 9. Also on December 6, 2024, the Commissioner again notified all DCLA licensees
4 who had not yet provided a Designated Email Address via the email listed under Primary Company
5 Contact on NMLS that they must provide a Designated Email Address immediately. The
6 Commissioner also provided these licensees with a sample of the Annual Report stating that
7 detailed filing instructions and access to the Annual Report will be provided on January 2, 2025, but
8 they will not receive detailed filing instructions and access to the annual report without a
9 Designated Email Address. The email reminded the DCLA licensees that if they were licensed as
10 of December 31, 2024, they must file the Annual Report via the DFPI Self-Service Portal by March
11 15, 2025.

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

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

18 12. On March 3, 2025, the Commissioner gave a final reminder to all DCLA licensees
19 via the Designated Email Address that all DCLA licensees who were licensed as of December 31,
20 2024, must file the Annual Report by the deadline of March 15, 2025, stating that failure to file the
21 Annual Report may subject the DCLA licensee to suspension, revocation, penalties, or other
22 enforcement action.

23 13. As of March 16, 2025, Respondent, who was licensed as of February 21, 2023, had
24 not filed its Annual Report with the Commissioner, in violation of California Financial Code
25 section 100021(a). As a result, on March 18, 2025, the Commissioner issued a Notice of Failure to
26 File Annual Report by March 15, 2025 (Failure Notice) to Respondent via certified mail and
27 Designated Email Address or the email listed under Company Contact on NMLS notifying
28 Respondent that the Department will issue a Desist and Refrain Order and Order Assessing

1 Penalties under California Financial Code section 90015(c) and (d)(1) and will also move to revoke
2 Respondent’s DCLA license under California Financial Code sections 100003(b)(3) and
3 100003.3(b)(1) if the Annual Report is not filed before March 28, 2025.

4 14. On March 19, 2025, Respondent filed its Annual Report. Pursuant to California
5 Financial Code section 90012(b)(8), a penalty may be imposed for any unlawful act or practice with
6 respect to consumer financial products or services in violation of California Financial Code sections
7 90003(a)(1), (a)(2), and 100021(a).

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

11 16. On or around April 1, 2025, the Department served the Order on Respondent via
12 certified mail and Designated Email Address or the email listed under Company Contact on NMLS.
13 The Department has not received a request for a hearing regarding the Order and the time to request
14 a hearing has expired. As such, the Order is a final order.

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

18 **III.**

19 **Applicable Laws**

20 18. California Financial Code section 100003 provides, in pertinent part:

21 (b) Without limitation, the functions, powers, and duties of the
22 commissioner include all of the following:

23 (3) To revoke or suspend any license for a violation of this division or a
24 violation of Title 1.6C (commencing with Section 1788) or Title 1.6C.5
(commencing with Section 1788.50) of Part 4 of Division 3 of the Civil
Code

25 19. California Financial Code section 100003.3 provides, in pertinent part:

26 (b) The commissioner may suspend or revoke a license if, after notice and
27 an opportunity for hearing, the commissioner finds any of the following:

28 (1) The licensee violated this division or a regulation adopted or an order
issued under this division . . .

(6) Any fact or condition exists that, if it had existed at the time that the

1 licensee applied for the license, would have been grounds for denying the
2 application.

3 20. California Financial Code section 100021 provides:

4 (a) A licensee shall file an annual report with the commissioner, on or
5 before March 15, that contains all relevant information that the
6 commissioner reasonably requires concerning the business and operations
7 conducted by the licensee in the state during the preceding calendar year,
8 including information regarding collection activity. The report shall, at
9 minimum, require disclosure of all of the following information:

10 (1) The total number of California debtor accounts purchased or collected
11 on in the preceding year.

12 (2) The total dollar amount of California debtor accounts purchased in the
13 preceding year.

14 (3) The face value dollar amount of California debtor accounts in the
15 licensee’s portfolio in the preceding year.

16 (4) The total dollar amount of California debtor accounts collected in the
17 preceding year, and the total dollar amount of outstanding debt that
18 remains uncollected.

19 (5) The total dollar amount of net proceeds generated by California debtor
20 accounts in the preceding year.

21 (6) Whether or not the licensee is acting as a debt collector, debt buyer, or
22 both.

23 (7) The case number of any action in which the licensee was held liable by
24 final judgment under Title 1.6C (commencing with Section 1788) or Title
25 1.6C.5 (commencing with Section 1788.50) of Part 4 of Division 3 of the
26 Civil Code.

27 (b) The individual annual reports filed pursuant to this section shall be
28 made available to the public for inspection.

(c) The report shall be made under oath and in the form prescribed by the
commissioner.

(d) A licensee shall make other special reports that may be required by the
commissioner.

IV.

Conclusion

24 The Commissioner finds that, by reason of the foregoing, Respondent has violated
25 California Financial Code section 100021(a). In addition, Respondent has violated an order by the
26 Commissioner, which is a fact or condition that, if it had existed at the time Respondent applied for
27 the license, would have been grounds for denying the application under California financial Code
28 section 100003.3(b)(6). Based thereon, grounds exist pursuant to California Financial Code

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sections 100003(b)(3) and 100003.3(b)(1) and (b)(6) to revoke Respondent’s DCLA license.

WHEREFORE, IT IS PRAYED that the DCLA license number 10195-99 of Tek-Collect Incorporated be revoked.

Dated: May 14, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By: _____
MELINDA LEE
Deputy Commissioner
Debt Collection Licensing Act