

1 provided a sample of the Annual Report stating that detailed filing instructions and access to the
2 Annual Report.

3 9. On January 5 and 20, and February 3, 9, 17, 23, and 24, 2026, Commissioner
4 notified all DCLA licensees via the Designated Email Address or via the email listed under Primary
5 Company Contact on NMLS that the Annual Report was accessible via the DFPI Self-Service
6 Portal and provided instructions for filing the Annual Report.

7 10. On March 2, 9, 11, and 13, 2026, the Commissioner gave reminders via the
8 Designated Email Address or via the email listed under Primary Company Contact on NMLS to any
9 DCLA licensees who had not yet filed the Annual Report that all DCLA licensees who were
10 licensed as of December 31, 2025, must file the Annual Report by the deadline of March 16, 2026,
11 stating that failure to file the Annual Report may subject the DCLA licensee to suspension,
12 revocation, penalties, or other enforcement action.

13 11. As of March 17, 2026, Respondent, who was licensed as of June 13, 2023, had not
14 filed its Annual Report with the Commissioner, in violation of California Financial Code section
15 100021(a). As a result, on March 18, 2026 the Commissioner issued a Notice of Failure to File
16 Annual Report by March 16, 2026 (Failure Notice) to Respondent via certified mail and Designated
17 Email Address or the email listed under Company Contact on NMLS notifying Respondent that the
18 Department *will* issue a Desist and Refrain Order and Order Assessing Penalties under California
19 Financial Code section 90015(c) and (d)(1) and if the Annual Report is not filed before March 30,
20 2026, *will also move to revoke* Respondent’s DCLA license under California Financial Code
21 sections 100003(b)(3) and 100003.3(b)(1).

22 12. As of March 30, 2026, 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 **III.**

26 **Applicable Laws**

27 13. California Financial Code section 90005 provides in relevant part:

28 (d) “Consumer financial law” means a federal or California law that directly and specifically regulates the manner, content, or terms and

1 conditions of any financial transaction, or any account, product, or service
2 related thereto, with respect to a consumer . . .

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

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

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

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

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

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

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

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

23 16. California Financial Code section 100003 provides, in pertinent part:

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

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

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

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

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

18. California Financial Code section 100021 provides, in pertinent part:

1 (a) A licensee shall file an annual report with the commissioner, on or
2 before March 15, that contains all relevant information that the
3 commissioner reasonably requires concerning the business and operations
4 conducted by the licensee in the state during the preceding calendar year,
5 including information regarding collection activity. The report shall, at
6 minimum, require disclosure of all of the following information:
7 (1) The total number of California debtor accounts purchased or collected
8 on in the preceding year.
9 (2) The total dollar amount of California debtor accounts purchased in the
10 preceding year.
11 (3) The face value dollar amount of California debtor accounts in the
12 licensee’s portfolio in the preceding year.
13 (4) The total dollar amount of California debtor accounts collected in the
14 preceding year, and the total dollar amount of outstanding debt that
15 remains uncollected.
16 (5) The total dollar amount of net proceeds generated by California debtor
17 accounts in the preceding year.
18 (6) Whether or not the licensee is acting as a debt collector, debt buyer, or
19 both.
20 (7) The case number of any action in which the licensee was held liable by
21 final judgment under Title 1.6C (commencing with Section 1788) or Title
22 1.6C.5 (commencing with Section 1788.50) of Part 4 of Division 3 of the
23 Civil Code

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

17 (1) If, in the opinion of the department, any person engages, has
18 engaged, or proposes to engage in any activity prohibited by Section
19 90003 or 90004, the department may issue an order directing the person
20 to desist and refrain from engaging in the activity, act, practice, or
21 course of business.

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

25 20. California Financial Code section 90015(c) provides, “[a]fter notice and an
26 opportunity to be heard, the commissioner may, by order, assess penalties.”

27 21. California Financial Code section 90012(c) provides, in relevant part:

28 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

22. Based on the foregoing findings, the Commissioner is of the opinion that Respondent is a covered person that engaged in unlawful acts or practices, in violation of California Financial Code section 90003(a)(1), and offered or provided to a consumer any financial product or service not in conformity with any consumer financial law or otherwise committed any act or omission in violation of a consumer financial law, including but not limited to California Financial Code section 100021(a) of the DCLA, in violation of California Financial Code section 90003(a)(2).

23. Pursuant to California Financial Code section 90015(d)(1), Respondent 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, or offer or provide to a consumer any financial product or service not in conformity with any consumer financial laws, including but not limited to California Financial Code section 100021(a) of the DCLA, in violation of California Financial Code section 90003.

24. This Desist and Refrain Order is necessary, in the public interest and consistent with the purposes, policies, and provisions of the CCFPL. This Desist and Refrain Order shall remain in full force and effect until further order of the Commissioner.

V.

Order Assessing Penalties – CCFPL (Cal. Fin. Code § 90015(c))

25. Pursuant to California Financial Code section 90015(c) and section 90012(c), and after due consideration of possible mitigating factors and other appropriateness considerations listed in section 90012(c)(1)(B), Respondent is hereby ordered to pay the Commissioner a penalty of \$5,000.00 within 30 days of the date of this order. This penalty shall be made payable in the form

1 of an Automated Clearing House deposit, company check, cashier’s check, or money order made
2 payable to the Department of Financial Protection and Innovation. The cashier’s check shall be
3 mailed to the attention of “Accounting – Litigation” at Department of Financial Protection and
4 Innovation, 651 Bannan Street, Suite 300, Sacramento, California 95811. Notice of such payment
5 shall be concurrently sent to Herb Thompson via e-mail at Herb.Thompson@dfpi.ca.gov.

6 Dated: April 2, 2026
7 Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



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10 By: _____
11 Electronic Signature by Herb Thompson
12 Acting Deputy Commissioner
13 Debt Collection Licensing Act
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