

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

II.

Factual Background

5. Respondent collects debt related to a consumer financial product or service as defined in California Financial Code section 90005(k)(10), including but not limited to extensions of credit.

6. 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).

7. 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.

8. On December 3, 2025, 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. The Commissioner also provided a sample of the Annual Report stating that detailed filing instructions and access to the Annual Report.

9. On January 5 and 20, and February 3, 9, 17, 23, and 24, 2026, Commissioner

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 notified all DCLA licensees via the Designated Email Address or via the email listed under Primary
2 Company Contact on NMLS that the Annual Report was accessible via the DFPI Self-Service
3 Portal and provided instructions for filing the Annual Report.

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

10 11. As of March 17, 2026, Respondent, who was licensed as of June 7, 2023, had not
11 filed its Annual Report with the Commissioner, in violation of California Financial Code section
12 100021(a). As a result, on March 18, 2026, the Commissioner issued a Notice of Failure to File
13 Annual Report by March 16, 2026 (Failure Notice) to Respondent via certified mail and Designated
14 Email Address or the email listed under Company Contact on NMLS notifying Respondent that the
15 Department *will* issue a Desist and Refrain Order and Order Assessing Penalties under California
16 Financial Code section 90015(c) and (d)(1) and if the Annual Report is not filed before March 30,
17 2026, *will also move to revoke* Respondent’s DCLA license under California Financial Code
18 sections 100003(b)(3) and 100003.3(b)(1).

19 12. As of March 30, 2026, or 10 calendar days after the Failure Notice, Respondent had
20 still not filed its Annual Report with the Commissioner, in continuing violation of California
21 Financial Code section 100021(a).

22 **III.**

23 **Applicable Laws**

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

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

28 (e) “Consumer financial product or service” means either of the following:
(1) A financial product or service that is delivered, offered, or provided for

1 use by consumers primarily for personal, family, or household purposes . .

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

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

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

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

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

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

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

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

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

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

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

27 (b) The commissioner may suspend or revoke a license if, after notice and
28 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:

(a) A licensee shall 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. The report shall, at

1 minimum, require disclosure of all of the following information:

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

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

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

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

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

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

15 (7) The case number of any action in which the licensee was held liable by
16 final judgment under Title 1.6C (commencing with Section 1788) or Title
17 1.6C.5 (commencing with Section 1788.50) of Part 4 of Division 3 of the
18 Civil Code

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

20 (1) If, in the opinion of the department, any person engages, has
21 engaged, or proposes to engage in any activity prohibited by Section
22 90003 or 90004, the department may issue an order directing the person
23 to desist and refrain from engaging in the activity, act, practice, or
24 course of business.

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

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

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

22 In any civil or administrative action brought pursuant to this division, the
23 following penalties shall apply:

24 (1) Any person that violates, through any act or omission, any provision of
25 this division shall forfeit and pay a penalty pursuant to this subdivision.

26 (A) The penalty amounts are as follows:

27 (i) For any violation of this division, rule or final order, or condition
28 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 of an Automated Clearing House deposit, company check, cashier’s check, or money order made payable to the Department of Financial Protection and Innovation. The cashier’s check shall be mailed to the attention of “Accounting – Litigation” at Department of Financial Protection and

1 Innovation, 651 Bannan Street, Suite 300, Sacramento, California 95811. Notice of such payment
2 shall be concurrently sent to Herb Thompson via e-mail at Herb.Thompson@dfpi.ca.gov.

3 Dated: April 14, 2026
4 Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



5
6
7 By: _____
8 Electronic Signature by Herb Thompson
9 Acting Deputy Commissioner
10 Debt Collection Licensing Act
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28