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8 Attorneys for Complainant

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

11 In the Matter of:

12 THE COMMISSIONER OF FINANCIAL  
13 PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 LEYTON LAW FIRM,  
17 AND LEYTON LAW FIRM, LLC,

18 Respondents.  
19

)  
) DESIST AND REFRAIN ORDER AND  
) ORDER ASSESSING PENALTIES  
) (Fin. Code, § 90015, subs. (b), (c) (d)(1))

20  
21 The Complainant, the Commissioner of Financial Protection and Innovation  
22 (Commissioner) of the Department of Financial Protection and Innovation (Department), is  
23 informed and believes, and based on such information and belief, finds as follows:

24 **I.**

25 **Introduction**

26 1. The Commissioner has jurisdiction over the licensing and regulation of persons  
27 engaged in the business of debt collection in California under the Debt Collection Licensing Act  
28 (DCLA) (Fin. Code §§ 100000-100025).



1           6.       Additionally, an individual holding themselves out as “Stacey A. Leyton,” falsely  
2 represented themselves as an attorney in violation of Civil Code section 1788.13, subdivision (b) of the  
3 Rosenthal Act.

4           7.       Finally, Leyton Law Firm threatened that nonpayment of the consumer debt may  
5 result in the garnishment or attachment of wages of the debtor in violation of Civil Code section  
6 1788.10, subdivision (e) of the Rosenthal Act.

7           8.       The aforementioned misrepresentations, including but not limited to representing  
8 itself as a law firm attempting to collect a debt were material and likely to mislead a consumer  
9 acting reasonably under the circumstances, constituting deceptive acts or practices, in violation of  
10 Financial Code section 90003, subdivision (a)(1).

11                               Failure to Submit License Application in Violation of the DCLA

12           9.       The DCLA, which became effective on January 1, 2021, requires persons engaged in  
13 the business of debt collection in California to be licensed beginning on January 1, 2022, pursuant  
14 to California Financial Code section 100001(a).

15           10.      The Commissioner has not issued a license to Leyton Law Firm, authorizing it to  
16 engage in the business of debt collection under the DCLA. Furthermore, Leyton Law Firm has not  
17 applied for a license under the DCLA. Leyton Law Firm is not exempt from the licensing  
18 requirements of California Financial Code section 100001.

19           11.      In or around October 2022, Leyton Law Firm engaged in the business of debt  
20 collection in this state by attempting to collect a debt from at least one California consumer, in  
21 violation of California Financial Code section 100001(a), and engaged in additional unlawful  
22 and/or deceptive acts or practices, as described in paragraphs 4 through 7 above.

23   **III.**

24   **Applicable Laws**

25           12.      Financial Code section 100001(a) of the DCLA provides that “[n]o person shall  
26 engage in the business of debt collection in this state without first obtaining a license.”

27           13.      Financial Code section 100002(h) defines “debt” as “money, property, or their  
28 equivalent that is due or owing or alleged to be due or owing from a natural person to another

1 person.”

2 14. Financial Code section 100002(f) provides:

3 “Consumer debt” or “consumer credit” as means money, property, or their  
4 equivalent, due or owing, or alleged to be due or owing, from a natural person by  
5 reason of a consumer credit transaction. The term “consumer debt” includes a  
6 mortgage debt. The term “consumer debt” includes “charged-off consumer debt” as  
7 defined in Section 1788.50 of the Civil Code.

8 15. Financial Code section 100002(i), defines “debt collection” as “any act or practice in  
9 connection with the collection of consumer debt.”

10 16. Financial Code section 100002(j) provides:

11 “Debt collector” means any person who, in the ordinary course of  
12 business, regularly, on the person’s own behalf or on behalf of others,  
13 engages in debt collection. The term includes any person who composes  
14 and sells, or offers to compose and sell, forms, letters and other collection  
15 media used or intended to be used for debt collection. The term “debt  
16 collector” includes “debt buyer” as defined in Section 1788.50 of the Civil  
17 Code.

18 17. Financial Code section 90005 provides in relevant part:

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

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

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

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

18. Financial Code section 90003(a) provides in relevant part:

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

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

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

7 19. The following laws are consumer financial laws within the meaning of Financial  
8 Code section 90003, subdivision (a)(2):

9 20. Civil Code section 1788.10 of the Rosenthal Act provides in relevant part:

10 No debt collector shall collect or attempt to collect a consumer debt by  
11 means of the following conduct: . . . (e) The threat to any person that  
12 nonpayment of the consumer debt may result in the . . . the seizure,  
13 garnishment, attachment or sale of any property or the garnishment or  
14 attachment of wages of the debtor, unless such action is in fact  
15 contemplated by the debt collector and permitted by the law. . . .

16 21. Civil Code section 1788.13 of the Rosenthal Act provides in relevant part:

17 No debt collector shall collect or attempt to collect a consumer debt by  
18 means of the following practices: . . . (b) The false representation that a  
19 person is an attorney; (i) The false representation of the true nature of the  
20 business or services being rendered by the debt collector; (j) The false  
21 representation that a legal proceeding has been, is about to be, or will be  
22 instituted unless payment of a consumer debt is made. . . .

23 22. Financial Code section 90015, subdivision (d), provides:

24 (1) If, in the opinion of the department, any person engages, has  
25 engaged, or proposes to engage in any activity prohibited by Section  
26 90003 or 90004, the department may issue an order directing the person  
27 to desist and refrain from engaging in the activity, act, practice, or  
28 course of business.

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

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

24. Financial Code section 90012, subdivision (c) provides, in relevant part:

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

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

5 (A) The penalty amounts are as follows:

6 (i) For any violation of this division, rule or final order, or condition  
7 imposed in writing by the department, a penalty may not exceed the  
8 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 . . . .

9 **IV.**

10 **Desist and Refrain Order**

11 25. Based on the foregoing findings, the Commissioner is of the opinion that Leyton  
12 Law Firm is a covered person or service provider that engaged in unlawful acts or practices, in  
13 violation of Financial Code section 90003, subdivision (a)(1), and offered or provided to a  
14 consumer any financial product or service not in conformity with any consumer financial law or  
15 otherwise committed any act or omission in violation of a consumer financial law, in violation of  
16 Financial Code section 90003, subdivision (a)(2), including but not limited to the following:

- 17 a. Financial Code section 100001, subdivision (a);
- 18 b. Civil Code section 1788.10, subdivision (e) of the Rosenthal Act;
- 19 c. Civil Code section 1788.13, subdivisions (b), (i), and (j) of the Rosenthal Act;

20 26. Pursuant to Financial Code section 90015, subdivision (d)(1), Leyton Law Firm and  
21 its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from  
22 engaging in, or proposing to engage in, unlawful acts or practices in collecting or attempting to  
23 collect any consumer debt in violation of Financial Code section 90003, subdivision (a)(1), or offer  
24 or provide to a consumer any financial product or service not in conformity with any consumer  
25 financial laws, including but not limited to the following:

- 26 a. Financial Code section 100001, subdivision (a);
- 27 b. Civil Code section 1788.10, subdivision (e) of the Rosenthal Act;
- 28 c. Civil Code section 1788.13, subdivisions (b), (i), (j) of the Rosenthal Act;

1           27.     Furthermore, based on the foregoing findings, the Commissioner is of the opinion  
2 that Leyton Law Firm is a covered person or service provider that engaged in deceptive acts or  
3 practices with respect to consumer financial products or services in violation of Financial Code  
4 section 90003, subdivision (a)(1).

5           28.     Pursuant to Financial Code section 90015, subdivision (d)(1), Leyton Law Firm and  
6 its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from  
7 engaging in, or proposing to engage in, deceptive acts or practices in collecting or attempting to  
8 collect any consumer debt in violation of Financial Code section 90003, subdivision (a)(1).

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

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V.

**Order Assessing Penalties – CCFPL (Fin. Code, § 90015, subd. (c))**

30. Pursuant to Financial Code section 90015, subdivision (c) and section 90012, subdivision (c), and after due consideration of possible mitigating factors and other appropriateness considerations listed in section 90012, subdivision (c)(1)(B), Leyton Law Firm is hereby ordered to pay the Commissioner a penalty of \$12,500.00 within 30 days of the date of this order. This penalty shall be made payable in the form of an Automated Clearing House deposit or cashier’s check 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 Innovation, 2101 Arena Boulevard, Sacramento, California 95834-2036. Notice of such payment shall be concurrently sent to Galen Yun via e-mail at Galen.Yun@dfpi.ca.gov.

Dated: March 2, 2023  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division