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

12 In the Matter of:) DCLA LICENSE NO.: 10207-99
13 THE COMMISSIONER OF FINANCIAL) CONSENT ORDER
14 PROTECTION AND INNOVATION,)
15 Complainant,)
16 v.)
17 A.R.M. SOLUTIONS, INC.,)
18 Respondent.)
19)
20)

21 This Consent Order is entered into between the Commissioner of Financial Protection and
22 Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department)
23 and Respondent A.R.M. Solutions, Inc. (A.R.M.) and is made with respect to the following facts:

24 **I.**

25 **RECITALS**

26 A. 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) (Cal. Fin. Code §§ 100000 – 100025).

1 B. As of January 1, 2023, the Department began approving conditional licenses for debt
2 collectors based on the condition that federal criminal history records checks will be performed at a
3 later date. On or around March 3, 2023, A.R.M. received a conditional license pursuant to the
4 DCLA with a conditional license number of 10207-99.

5 C. A.R.M.'s principal place of business is located at 2455 Teller Road, Suite 150,
6 Thousand Oaks, California 91320.

7 D. California Financial Code section 100003, subdivision (b)(5) authorizes the
8 Commissioner to receive, consider, investigate, and act upon a complaint made in connection with a
9 licensee.

10 E. California Financial Code section 100003, subdivision (b)(3) authorizes the
11 Commissioner to revoke or suspend any license for a violation of the DCLA or a violation of Title
12 1.6C (commencing with Section 1788) (Rosenthal Act) or Title 1.6C.5 (commencing with Section
13 1788.50) (Fair Debt Buying Practices Act or FDBPA) of Part 4 of Division 3 of the Civil Code.

14 F. In addition, California Financial Code section 100005, subdivisions (a) and (c)
15 authorize the Commissioner to issue an order to desist and refrain from violating the DCLA,
16 Rosenthal Act, or FDBPA.

17 G. On or around June 6, 2023, A.R.M. sent at least two text messages to a resident in
18 Virginia (Consumer) that the Commissioner concludes did not comply with California Civil Code
19 section 1788.13, subdivision (a), because they were not in the name of either the debt collector or the
20 person on whose behalf the debt collector was acting.

21 H. The two text messages to the Consumer sent on or around June 6, 2023, did not
22 display the California license number of A.R.M., in violation of California Civil Code section
23 1788.11, subdivision (f) of the Rosenthal Act.

24 I. In addition, on or around June 14, 2023, A.R.M. mailed a debt collection letter dated
25 June 2, 2023, to the Consumer that the Commissioner concludes also failed comply with California
26 Civil Code section 1788.11, subdivision (f) of the Rosenthal Act.

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1 I. On or around August 22, 2023, A.R.M. voluntarily submitted its California License
2 Information Requirement Policy dated August 21, 2023, describing its policies and procedures for
3 future compliance with California Civil Code section 1788.11, subdivision (f) of the Rosenthal Act.

4 J. The Commissioner finds that entering into this Consent Order is in the public interest
5 and consistent with the purposes fairly intended by the policies and provisions of the DCLA.

6 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
7 forth herein, the parties agree as follows:

8 **II.**

9 **TERMS AND CONDITIONS**

10 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in
11 Paragraphs A through J above in a manner that avoids the expense of a hearing and other possible
12 court proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
13 policies, and provisions of the DCLA.

14 2. Finality of Consent Order. A.R.M. agrees to comply with the terms and conditions of
15 this Consent Order and stipulate that this Consent Order is hereby deemed final.

16 3. Desist and Refrain Order. Pursuant to California Financial Code section 100005,
17 subdivision (a), A.R.M. is hereby ordered to desist and refrain from violating California Civil Code
18 sections 1788.11, subdivision (f) and 1788.13, subdivision (a) of the Rosenthal Act. This desist and
19 refrain order is final and effective from the date of this Consent Order, as defined in Paragraph 27
20 (Effective Date).

21 4. Waiver of Hearing Rights. A.R.M. acknowledges that the Commissioner is ready,
22 willing, and able to proceed with the filing of an enforcement action upon the charges contained in
23 this Consent Order. A.R.M. hereby waives the right to any hearings, and to any reconsideration,
24 appeal, or other right to review which may be afforded pursuant to the DCLA, the California
25 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law.
26 By waiving such rights, A.R.M. effectively consents to this Consent Order, and the Desist and
27 Refrain Order contained herein, becoming final.

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1 5. Penalty. A.R.M. shall pay a penalty in the amount of \$2,500.00 for the violations set
2 forth in Paragraphs G through I above by no later than 30 days after the Effective Date of this
3 Consent Order as defined in Paragraph 27 below. The penalty shall be made payable in the form of
4 a cashier’s check or Automated Clearing House deposit to the Department of Financial Protection
5 and Innovation and transmitted to the attention of Accounting – Litigation, at the Department of
6 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95814-2306.
7 Notice of the payment must be concurrently sent to Sophia C. Kim via e-mail at:
8 Sophia.Kim@dfpi.ca.gov.

9 6. Failure to Comply with Consent Order. A.R.M. agrees that if it fails to comply with
10 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies
11 she may invoke under the DCLA, deny any application and/or summarily suspend or revoke any
12 license granted by the Commissioner to A.R.M. until A.R.M. is in compliance. A.R.M. waives any
13 notice and hearing rights to contest such denial or summary suspension or revocation which may be
14 afforded under the DCLA, the California Administrative Procedure Act, the California Code of Civil
15 Procedure, or any other provision of law in connection therewith.

16 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
17 revoked and the Commissioner may pursue any and all remedies available under law against A.R.M.
18 if the Commissioner discovers that A.R.M. knowingly or willfully withheld or misrepresented
19 information used for and relied upon in this Consent Order.

20 8. Future Actions by Commissioner. If A.R.M. fails to comply with any terms of the
21 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
22 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
23 against A.R.M., or any of their partners, owners, officers, shareholders, directors, employees or
24 successors for any and all unknown violations of the DCLA and California Financial Code.

25 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
26 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
27 administrative, civil or criminal brought by that agency against A.R.M. or any other person based
28 upon any of the activities alleged in this matter or otherwise.

1 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
2 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
3 the provisions hereof.

4 11. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
5 interest.

6 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
7 Consent Order it has relied solely on the statements set forth herein and the advice of its own
8 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
9 Order it has placed no reliance on any statement, representation, or promise of any other party, or
10 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
11 person or entity to make any statement, representation or disclosure of anything whatsoever. The
12 parties have included this clause: (1) to preclude any claim that any party was in any way
13 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
14 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

15 13. No Presumption Against Drafting Party. Each party acknowledges that it has had the
16 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
17 intend that no presumption for or against the drafting party will apply in construing any part of this
18 Consent Order. The parties waive the benefit of California Civil Code section 1654 as amended or
19 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
20 language of a contract should be interpreted most strongly against the party that caused the
21 uncertainty to exist.

22 14. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
23 has received independent advice from its attorney(s) and/or representatives with respect to the
24 advisability of executing this Consent Order.

25 15. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
26 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
27 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
28 provision. No waiver by either party of any breach of, or of compliance with, any condition or

1 provision of this Consent Order by the other party will be considered a waiver of any other condition
2 or provision or of the same condition or provision at another time.

3 16. Full Integration. This Consent Order is the final written expression and the complete
4 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
5 between the parties with respect to the subject matter hereof, and supersedes all prior or
6 contemporaneous agreements, negotiations, representations, understandings, and discussions
7 between and among the parties, their respective representatives, and any other person or entity, with
8 respect to the subject matter covered hereby.

9 17. Governing Law. This Consent Order shall be construed and enforced in accordance
10 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
11 court in California, administrative or otherwise, best suited to handle any action or proceeding under
12 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
13 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

14 18. Counterparts. This Consent Order may be executed in one or more separate
15 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
16 together constitute a single document.

17 19. Effect Upon Future Proceedings. If A.R.M. applies for any license, permit or
18 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
19 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
20 admitted for the purpose of such application(s) or enforcement proceeding(s).

21 20. Voluntary Agreement. A.R.M. enters into this Consent Order voluntarily and without
22 coercion and acknowledge that no promises, threats or assurances have been made by the
23 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
24 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
25 without any duress or undue influence of any kind from any source.

26 21. Notice. Any notice required under this Consent Order shall be provided to each party
27 at the following addresses:

28 To A.R.M.:

1 Brad Jadwin, CEO/President, A.R.M. Solutions, Inc.; 2455 Teller Road, Suite 150,
2 Thousand Oaks, CA 91320; msinutko@armsolutions.com.

3 To the Commissioner:

4 Sophia C. Kim, Senior Counsel, Enforcement Division, Department of Financial
5 Protection and Innovation, 320 West 4th Street, Suite 750, Los Angeles, California
6 90013; Sophia.Kim@dfpi.ca.gov.

7 25. Signatures. A fax or electronic mail signature shall be deemed the same as an
8 original signature.

9 26. Public Record. A.R.M. hereby acknowledges that this Consent Order is and will be a
10 matter of public record.

11 27. Effective Date. This Consent Order shall become final and effective when signed by
12 all parties and delivered by the Commissioner’s counsel via e-mail to A.R.M. at
13 msinutko@armsolutions.com.

14 28. Authority to Sign. Each signatory hereto covenants that he/she possesses all
15 necessary capacity and authority to sign and enter into this Consent Order and undertake the
16 obligations set forth herein.

17 Dated: November 1, 2023 CLOTHILDE V. HEWLETT
18 Commissioner of Financial Protection and Innovation

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20 By _____
21 MARY ANN SMITH
22 Deputy Commissioner
Enforcement Division

23 Dated: November 1, 2023 A.R.M. SOLUTIONS, INC.

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25 By _____
26 Brad Jadwin
27 Chief Executive Officer / President
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