

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

In the Matter of:	)	DCLA LICENSE NO.: 10109-99
	)	
THE COMMISSIONER OF FINANCIAL	)	ACCUSATION
PROTECTION AND INNOVATION,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	
LTD FINANCIAL SERVICES, L.P.,	)	
	)	
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 LTD Financial Services, L.P. (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 a Texas Limited Partnership.
3. Respondent is a debt collector licensed by the Commissioner under the DCLA with license number 10109-99. Respondent’s principal place of business is 3200 Wilcrest, Suite 600, Texas 77042.

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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. On September 11, 2023, the Commissioner notified all DCLA licensees via the email listed under Primary Company Contact on the Nationwide Multistate Licensing System and Registry (NMLS)<sup>1</sup> that they must establish an email for communications from the Commissioner (Designated Email Address) pursuant to the Commissioner’s Order on Electronic Communications, dated November 22, 2013.

6. On November 8, 2023, the Commissioner notified all DCLA licensees via email listed under Primary Company Contact on NMLS that all debt collectors licensed prior to January 1, 2024 must file the Annual Report by March 15, 2024 through the DFPI Self-Service Portal, and instructions for accessing the DFPI Self-Service Portal would be sent to the Designated Email Address in December 2023.

7. On December 4, 2023, the Commissioner notified all DCLA licensees via the Designated Email Address or email listed under Primary Company Contact on NMLS if a Designated Email Address was not yet provided, that this was the last opportunity to provide a Designated Email Address to receive the draft of the Annual Report. The DCLA licensee had one week to complete the process for providing a Designated Email Address.

8. On December 18, 2023, the Commissioner notified all DCLA licensees via the Designated Email Address or email listed under Primary Company Contact on NMLS if they had still not provided a Designated Email Address with a sample of the Annual Report stating that

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<sup>1</sup> 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 detailed filing instructions and access to the Annual Report will be provided on January 2, 2024.  
2 The email reminded DCLA licensees that if they were licensed as of December 31, 2023, they must  
3 file the Annual Report via the DFPI Self-Service Portal by March 15, 2024.

4 9. On January 2, 2024, the Commissioner notified all DCLA licensees via the  
5 Designated Email Address or email listed under Primary Company Contact on NMLS if they had  
6 still not provided a Designated Email Address that the Annual Report was accessible via the DFPI  
7 Self-Service Portal and provided instructions for filing the Annual Report.

8 10. On February 12, 2024, the Commissioner reminded all DCLA licensees via the  
9 Designated Email Address or email listed under Primary Company Contact on NMLS if they had  
10 still not provided a Designated Email Address that all DCLA licensees who were licensed as of  
11 December 31, 2023, must file the Annual Report by the deadline of March 15, 2024, and provided a  
12 correction to the instructions for filing the Annual Report.

13 11. On March 1, 2024, the Commissioner again reminded all DCLA licensees via the  
14 Designated Email Address or email listed under Primary Company Contact on NMLS if they had  
15 still not provided a Designated Email Address that all DCLA licensees who were licensed as of  
16 December 31, 2023, must file the Annual Report by the deadline of March 15, 2024, stating that  
17 failure to file the Annual Report may subject the DCLA licensee to suspension, revocation,  
18 penalties, or other enforcement action.

19 12. As of March 26, 2024, Respondent, who was licensed as of January 25, 2023, had  
20 not filed its Annual Report with the Commissioner, in violation of California Financial Code  
21 section 100021(a). As a result, on April 4, 2024, the Commissioner issued a Notice of Failure to  
22 File Annual Report by March 15, 2024 (Failure Notice) to Respondent via certified mail, U.S. mail,  
23 and Designated Email Address or the email listed under a Company Contact on NMLS notifying  
24 Respondent that the Department will issue a Desist and Refrain Order and Order Assessing  
25 Penalties under California Financial Code section 90015(c) and (d)(1) and will also move to revoke  
26 Respondent's DCLA license under California Financial Code sections 100003(b)(3) and  
27 100003.3(b)(1) if the Annual Report is not filed before April 14, 2024.

28 13. As of April 14, 2024, or 10 calendar days after the Failure Notice, Respondent had

1 still not filed its Annual Report with the Commissioner, in continuing violation of California  
2 Financial Code section 100021(a).

3 **III.**

4 **Applicable Laws**

- 5 14. California Financial Code section 100003 provides, in pertinent part:
- 6 (b) Without limitation, the functions, powers, and duties of the  
7 commissioner include all of the following:
- 8 (3) To revoke or suspend any license for a violation of this division or a  
9 violation of Title 1.6C (commencing with Section 1788) or Title 1.6C.5  
10 (commencing with Section 1788.50) of Part 4 of Division 3 of the Civil  
11 Code . . . .
- 12 15. California Financial Code section 100003.3 provides, in pertinent part:
- 13 (b) The commissioner may suspend or revoke a license if, after notice and  
14 an opportunity for hearing, the commissioner finds any of the following:
- 15 (1) The licensee violated this division or a regulation adopted or an order  
16 issued under this division . . . .
- 17 16. California Financial Code section 100021 provides:
- 18 (a) A licensee shall file an annual report with the commissioner, on or  
19 before March 15, that contains all relevant information that the  
20 commissioner reasonably requires concerning the business and operations  
21 conducted by the licensee in the state during the preceding calendar year,  
22 including information regarding collection activity. The report shall, at  
23 minimum, require disclosure of all of the following information:
- 24 (1) The total number of California debtor accounts purchased or collected  
25 on in the preceding year.
- 26 (2) The total dollar amount of California debtor accounts purchased in the  
27 preceding year.
- 28 (3) The face value dollar amount of California debtor accounts in the  
licensee’s portfolio in the preceding year.
- (4) The total dollar amount of California debtor accounts collected in the  
preceding year, and the total dollar amount of outstanding debt that  
remains uncollected.
- (5) The total dollar amount of net proceeds generated by California debtor  
accounts in the preceding year.
- (6) Whether or not the licensee is acting as a debt collector, debt buyer, or  
both.
- (7) The case number of any action in which the licensee was held liable by  
final judgment under 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.

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- (b) The individual annual reports filed pursuant to this section shall be 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**

The Commissioner finds that, by reason of the foregoing, Respondent has violated California Financial Code section 100021(a). Based thereon, grounds exist pursuant to California Financial Code sections 100003(b)(3) and 100003.3(b)(1) to revoke Respondent’s DCLA license.

WHEREFORE, IT IS PRAYED that LTD Financial Services, L.P.’s DCLA license 10109-99 be revoked.

Dated: April 15, 2024  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MELINDA LEE  
Deputy Commissioner  
Debt Collection Licensing Act