

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

In the Matter of:)	DCLA LICENSE NO.: 12215-99
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,)	DESIST AND REFRAIN ORDER AND ORDER ASSESSING PENALTIES
Complainant,)	(Cal. Fin. Code § 90015(b), (c), (d)(1))
v.)	
Eastwood Contact Center LLC,)	
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 Eastwood Contact Center LLC (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. The Commissioner also has jurisdiction over the regulation of persons who engage, have engaged, and propose to engage in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code §§ 90000 – 90019).
3. Respondent is an Ohio Limited Liability Company.
4. Respondent is a debt collector licensed by the Commissioner under the DCLA with license number 12215-99. Respondent’s principal place of business is 40 Northwoods Blvd. Suite E, Columbus, Ohio 43235.

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 as defined in California Financial Code section 90005(k)(1), such as credit card debt.

6. California Financial Code section 100019(e), and California Code of Regulations, title 10 (CCR), section 1850.50 require a DCLA licensee to maintain a surety bond. Failure to file a new bond within 10 days of the recovery on a bond, or within 10 days after notification by the Commissioner that a new bond is required, constitutes sufficient grounds for the suspension or revocation of the license.

7. On or around April 10, 2024, the Commissioner received notice that Respondent’s surety bond would expire on June 10, 2024.

8. On or around May 13, 2024 the Commissioner notified Respondent via certified mail, U.S. mail, and/or email at its designated email address that pursuant to California Financial Code section 100019(e) if a reinstatement or a replacement surety bond is not filed within 10 calendar days after notice that a new bond is required, the Department would issue a Desist and Refrain Order and Order Assessing Penalties and move to revoke its DCLA license (Notice).

9. As of May 24, 2024 Respondent has not replaced or reinstated its surety bond in violation of California Financial Code section 100019(e) and CCR section 1850.50.

III.

Applicable Laws

10. California Financial Code section 90005 provides in relevant part:

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

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

(f) “Covered person” means, to the extent not preempted by federal law,

any of the following: (1) Any person that engages in offering or providing 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.)

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

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

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

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

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

(3) To revoke or suspend any license for a violation of this division or a violation of 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

14. 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

15. California Financial Code section 100019 provides, in pertinent part:

A licensee shall do all of the following: . . .

(e) Maintain a surety bond in accordance with this section in a minimum amount of twenty-five thousand dollars (\$25,000). The bond shall be payable to the commissioner and issued by an insurer authorized to do business in this state. The surety bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be filed with the commissioner within 10 days of execution. The bond shall be used for the recovery of expenses, fines, and fees levied by the commissioner in accordance with this division. The commissioner may

1 require licensees to submit bonds, riders, and endorsements electronically
2 through the Nationwide Multistate Licensing System & Registry’s
3 electronic surety bond function.

4 (1) When an action is commenced on a licensee’s bond, the commissioner
5 may require the filing of a new bond. Immediately upon recovery of any
6 action on the bond, the licensee shall file a new bond. ***Failure to file a***
7 ***new bond within 10 days of the recovery on a bond, or within 10 days***
8 ***after notification by the commissioner that a new bond is required,***
9 ***constitutes sufficient grounds for the suspension or revocation of the***
10 ***license.*** A licensee may provide the commissioner a refundable deposit in
11 the amount of twenty-five thousand dollars (\$25,000) in lieu of the bond
12 while the licensee pursues a new bond.

13 (2) The commissioner may require a higher bond amount for a licensee
14 based on the number of affiliates under the license and the dollar amount
15 of collecting consumer debt by that licensee. (Emphasis applied).

16 16. California Code of Regulations, title 10, section 1850.50 provides:

17 (a) All surety bonds, amendments, cancellations, notices of claims, and
18 information related to surety bonds such as riders and endorsements shall
19 be filed with NMLS for transmission to the Commissioner.

20 (b) The surety bond shall be in the form of the “electronic surety bond
21 form,” titled “SURETY BOND, DEBT COLLECTION LICENSING
22 ACT LICENSEE BOND,” ESB Form Version 1 Effective 07/01/2021,
23 NMLS Version: CA-DFPI - 07/01/2021, incorporated herein by reference
24 in its entirety.

25 (c) For purposes of obtaining a license, an applicant shall initially file a
26 surety bond of at least \$25,000.

27 (d) The surety bond shall not be cancelled, in whole or in part, without at
28 least sixty (60) calendar days’ notice to the Commissioner by the surety,
bonding, or insurance company.

(e) The surety bond shall provide that the surety, bonding, or insurance
company issuing the bond provide notice to the Commissioner within ten
(10) calendar days of service of any action.

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

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

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

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

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

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

8 (A) The penalty amounts are as follows:

9 (i) For any violation of this division, rule or final order, or condition
10 imposed in writing by the department, a penalty may not exceed the
11 greater of either five thousand dollars (\$5,000) for each day during which
12 the violation or failure to pay continues, or two thousand five hundred
13 dollars (\$2,500) for each act or omission in violation

14 **IV.**

15 **Desist and Refrain Order**

16 20. Based on the foregoing findings, the Commissioner is of the opinion that
17 Respondent is a covered person that engaged in unlawful acts or practices, in violation of California
18 Financial Code section 90003(a)(1), and offered or provided to a consumer any financial product or
19 service not in conformity with any consumer financial law or otherwise committed any act or
20 omission in violation of a consumer financial law, in violation of California Financial Code section
21 90003(a)(2), including but not limited to the following:

- 22 a. California Financial Code section 100019(e) of the DCLA; and
- 23 b. California Code of Regulations, title 10, section 1850.50 of the DCLA.

24 21. Pursuant to California Financial Code section 90015(d)(1), Respondent and its
25 managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from
26 engaging in, or proposing to engage in, unlawful acts or practices in violation of California
27 Financial Code section 100019(e) and California Code of Regulations, title 10, section 1850.50, or
28 offer or provide to a consumer any financial product or service not in conformity with any
consumer financial laws, including but not limited to the following:

- a. California Financial Code section 100019(e) of the DCLA; and

b. California Code of Regulations, title 10, section 1850.50 of the DCLA.

22. 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))

23. 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 \$2,500.00 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 Melinda Lee via e-mail at Melinda.Lee@dfpi.ca.gov.

Dated: May 28, 2024
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MELINDA LEE
Deputy Commissioner
Debt Collection Licensing Act