

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 SEAN M. ROONEY
Assistant Chief Counsel
4 SOPHIA C. KIM (State Bar No. 265649)
Senior Counsel
5 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
6 Los Angeles, California 90013
Telephone: (213) 503-0457
7 Facsimile: (213) 576-7181

8 Attorneys for Complainant

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

12 In the Matter of:) DCLA LICENSE NO.: 12227-99
13)
14 THE COMMISSIONER OF FINANCIAL) ACCUSATION
PROTECTION AND INNOVATION,)
15)
16 Complainant,)
17)
18 v.)
19 FPS-NATIONWIDE, LLC,)
20 Respondent.)
_____)

21
22
23
24
25 The Complainant, the Commissioner of Financial Protection and Innovation
26 (Commissioner) of the Department of Financial Protection and Innovation (Department) is
27 informed and believes, and based upon such information and belief, alleges and charges FPS-
28 Nationwide, LLC (Respondent) as follows:

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

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 California limited liability company.

3. Respondent is a debt collector licensed by the Commissioner under the DCLA with license number 12227-99. Respondent’s principal place of business is 799 Piner Rd., Suite 223, Santa Rosa, California 95403.

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)¹ 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

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 Address in December 2023.

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

7 8. On December 18, 2023, the Commissioner notified all DCLA licensees via the
8 Designated Email Address or email listed under Primary Company Contact on NMLS if they had
9 still not provided a Designated Email Address with a sample of the Annual Report stating that
10 detailed filing instructions and access to the Annual Report will be provided on January 2, 2024.
11 The email reminded DCLA licensees that if they were licensed as of December 31, 2023, they must
12 file the Annual Report via the DFPI Self-Service Portal by March 15, 2024.

13 9. On January 2, 2024, the Commissioner notified 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 the Annual Report was accessible via the DFPI
16 Self-Service Portal and provided instructions for filing the Annual Report.

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

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

28 12. Respondent, who was licensed as of September 29, 2023, filed its Annual Report

1 with the Commissioner on April 5, 2024, or 11 calendar days after March 25, 2024, which was the
2 extended deadline given to licensees to file the Annual Report, in violation of California Financial
3 Code section 100021(a).

4 13. As a result, on April 15, 2024, the Commissioner issued a Desist and Refrain Order
5 and Order Assessing Penalties under California Financial Code section 90015(c) and (d)(1) (Order).
6 The Order assessed penalties totaling \$2,500.00 pursuant to California Financial Code section
7 90012(c)(1)(A)(i) for violating California Financial Code section 100021(a) of the DCLA.

8 14. On or around April 15, 2024, the Department served the Order on Respondent via
9 certified mail and U.S. mail at Respondent’s licensed address and via email at Respondent’s
10 Designated Email Address. The Department has not received a request for a hearing regarding the
11 Order and the time to request a hearing has expired. As such, the Order is a final order.

12 15. The Order directed Respondent to pay a penalty of \$2,500.00 within 30 days of the
13 date of the Order, or by no later than May 15, 2024. As of the current date Respondent has not paid
14 the penalty pursuant to the Order.

15 **III.**

16 **Applicable Laws**

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

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

20 (3) To revoke or suspend any license for a violation of this division or a
21 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

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

23 (b) The commissioner may suspend or revoke a license if, after notice and
24 an opportunity for hearing, the commissioner finds any of the following:

25 (1) The licensee violated this division or a regulation adopted or an order
issued under this division . . .

26 (6) Any fact or condition exists that, if it had existed at the time that the
27 licensee applied for the license, would have been grounds for denying the
application.

28 18. California Financial Code section 100021 provides:

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

- (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 minimum, require disclosure of all of the following information:
 - (1) The total number of California debtor accounts purchased or collected on in the preceding year.
 - (2) The total dollar amount of California debtor accounts purchased in the preceding year.
 - (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.
- (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). In addition, Respondent has violated an order by the Commissioner, which is a fact or condition that, if it had existed at the time Respondent applied for the license, would have been grounds for denying the application under California financial Code section 100003.3(b)(6). Based thereon, grounds exist pursuant to California Financial Code sections 100003(b)(3) and 100003.3(b)(1) and (b)(6) to revoke Respondent’s DCLA license.

///
///

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

WHEREFORE, IT IS PRAYED that the DCLA license number 12227-99 of FPS-Nationwide, LLC be revoked.

Dated: May 24, 2024
Los Angeles, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
SOPHIA C. KIM
Senior Counsel
Enforcement Division