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

11 In the Matter of:	)	NMLS License No.: 2120180
12 THE COMMISSIONER OF FINANCIAL	)	CONSENT ORDER
13 PROTECTION AND INNOVATION,	)	
14 Complainant,	)	
15 v.	)	
16 MERATAS INC.,	)	
17 Respondent.	)	
18 _____	)	

19  
20 The Commissioner of Financial Protection and Innovation (Commissioner) and Meratas Inc.  
21 (Meratas or Respondent) (collectively, the Parties) enter this Consent Order with respect to the  
22 following facts:

23 **I.**

24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
26 entities engaged in the business of servicing student loans under the California Student Loan  
27  
28

1 Servicing Act (SLSA) (Cal. Fin. Code § 28100 et seq.)<sup>1</sup>

2 B. The Commissioner also has jurisdiction over the regulation of persons who engage,  
3 have engaged, or propose to engage in offering or providing a consumer financial product or service  
4 in California and affiliated service providers under the California Consumer Financial Protection  
5 Law (CCFPL), Cal. Fin. Code §§ 90000-90019.

6 C. Respondent, is a New York corporation with a principal place of business at 317  
7 West Ave., #113342, Stamford, Connecticut, 06902. Respondent is licensed by the Commissioner  
8 to service student loans in the State of California.

9 D. Respondent is licensed by the Commissioner to service student loans in the State of  
10 California.

11 E. Under the CCFPL, it is unlawful for a “covered person” to “[e]ngage, have engaged,  
12 or propose to engage in any unlawful, unfair, deceptive, or abusive act or practices with respect to  
13 consumer financial products or services.” Cal. Fin. Code § 90003(a)(1).

14 F. A “covered person” is “[a]ny person that engages in offering or providing a consumer  
15 financial product or service to a resident of this state.” Cal. Fin. Code § 90005(f)(1).

16 G. A “consumer financial product or service” is generally a “financial product or service  
17 that is delivered, offered, or provided for use by consumers primarily for personal, family, or  
18 household purposes.” Cal. Fin. Code § 90005(e)(1).

19 H. “Financial product or service” includes, among other things, “[e]xtending credit and  
20 servicing extensions of credit[.]” Cal. Fin. Code § 90005(k)(1)

21 I. Respondent is a “covered person” that offers a consumer financial product or service  
22 to California consumers under the CCFPL because it engages in servicing California consumers’  
23 student loans—extensions of credit. *See* Cal. Fin. Code § 90005(k)(1).

24 J. Pursuant to California Financial Code section 28146(a), all licensees shall file an  
25 annual report (“Annual Report”) with the Commissioner on or before the 15<sup>th</sup> day of March. Fin.  
26 Code § 28146(a).

27 \_\_\_\_\_  
28 <sup>1</sup> Cal. Fin. Code § 28100, *et seq.* All subsequent statutory references are to the California  
Financial Code unless otherwise specified.

1 K. The Commissioner provided advanced notice of the upcoming March 15, 2024,  
2 Annual Report filing deadline by email on five separate occasions: December 18, 2023; January 2,  
3 2024; February 1, 2024; March 1, 2024; and March 11, 2024.

4 L. On March 15, 2024, the Commissioner sent a warning letter to Meratas informing  
5 Meratas that it had not yet filed its Annual Report, which was required to be submitted on March 15,  
6 2024, and further informing Meratas that penalties would be assessed under SLSA for failure to file  
7 the Annual Report by the statutory deadline.

8 M. On or about March 26, 2024, Meratas informed the Commissioner in a telephone call  
9 that it would file its Annual Report by close of business on March 29, 2024. Meratas failed to do so.

10 N. On April 9, 2024, the Commissioner issued another warning letter to Meratas,  
11 informing Meratas that it had not yet filed its Annual Report, which was required to be submitted on  
12 March 15, 2024, and further informing Meratas that penalties were continuing to accrue daily under  
13 the SLSA and the CCFPL. The Commissioner demanded Meratas file its Annual Report by close of  
14 business on April 11, 2024.

15 O. On April 10, 2024, Meratas submitted its Annual Report, 25 days after the March 15,  
16 2024 Annual Report filing deadline.

17 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions  
18 contained herein, the Commissioner and Meratas agree to the following.

19 **II.**

20 **TERMS AND CONDITIONS**

21 1. Purpose. This Consent Order resolves the issues before the Commissioner in a  
22 manner that avoids the expense of a hearing and other possible court proceedings, protects  
23 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of  
24 the SLSA and the CCFPL.

25 2. Order to Desist and Refrain. Under Financial Code section 90015(d)(1), Meratas is  
26 hereby ordered to desist and refrain from violating Financial Code sections 28146(a) and  
27 90003(a)(1) by failing to file a report with the Commissioner as required.

28 3. Surrender of License. Meratas agrees to submit a license surrender request within

1 seven (7) days of the Effective Date of this Consent Order set forth in Paragraph 19. Meratas agrees  
2 that if it fails to comply with the requests of the Commissioner in connection with the surrender of  
3 its license, and as a result fails to complete all processes to surrender its license within forty-five (45)  
4 days of the Effective Date of this Consent Order, the Commissioner may, in addition to all other  
5 available remedies it may invoke under SLSA and the CCFPL, summarily revoke Meratas' SLSA  
6 license. Meratas stipulates to the finality of any such summary revocation of its license and waives  
7 any notice and hearing rights to contest such summary revocation which may be afforded under  
8 SLSA, the CCFPL, the California Administrative Procedure Act, the California Code of Civil  
9 Procedure, or any other provision of law in connection therewith.

10 4. Waiver of Hearing Rights. Meratas acknowledges the Commissioner is ready,  
11 willing, and able to proceed with the filing of an administrative enforcement action on the charges  
12 contained in this Consent Order. Meratas hereby waives the right to any hearings, and to any  
13 reconsideration, appeal, or other right to review which may be afforded pursuant to SLSA, the  
14 CCFPL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any  
15 other provision of law, including those rights under Financial Code section 90015, and to judicial  
16 review of this matter pursuant to Code of Civil Procedure section 1094.5 with respect to the issuance  
17 of this Consent Order and the Desist and Refrain Order contained herein. Meratas further expressly  
18 waives any requirement for the filing of an Accusation pursuant to Government Code section  
19 11415.60, subdivision (b). By waiving such rights, Meratas effectively consents to this Consent  
20 Order and Desist and Refrain Order becoming final.

21 5. Full and Final Settlement. The Parties hereby acknowledge and agree that this  
22 Consent Order is intended to constitute a full, final, and complete resolution of the violations  
23 described herein, and that no further proceedings or actions will be brought by the Commissioner in  
24 connection with these matters under the SLSA, CCFPL or any other provision of law, excepting  
25 therefrom any proceeding to enforce compliance with the terms of this Consent Order.

26 6. Information Willfully Withheld or Misrepresented. This Consent Order may be  
27 rescinded, and the Commissioner may pursue any and all remedies available under law against  
28 Respondent if the Commissioner discovers that Respondent knowingly or willfully withheld or

1 misrepresented information used for and relied upon in this Consent Order.

2           7.     Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s  
3 ability to assist any other government agency (city, county, state, or federal) with any prosecution,  
4 administrative, civil or criminal brought by that agency against Respondent or any other person  
5 based upon any of the activities alleged in this matter or otherwise.

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

9           9.     Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
10 interest.

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

20           11.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
21 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.  
22 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
23 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
24 provision of this Consent Order by the other party will be considered a waiver of any other condition  
25 or provision or of the same condition or provision at another time.

26           12.    Full Integration. This Consent Order is the final written expression and the complete  
27 and exclusive statement of all the agreements, conditions, promises, representations, and covenants  
28 between the parties with respect to the subject matter hereof, and supersedes all prior or

1 contemporaneous agreements, negotiations, representations, understandings, and discussions  
2 between and among the parties, their respective representatives, and any other person or entity, with  
3 respect to the subject matter covered hereby.

4 13. Governing Law. This Consent Order will be governed by and construed in  
5 accordance with California law. Each of the parties hereto consents to the jurisdiction of any court,  
6 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
7 forum to the maintenance of such action or proceeding in such court.

8 14. Effect Upon Future Proceedings. If Respondent applies for any license, permit or  
9 qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future  
10 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be  
11 admitted for the purpose of such application(s) or enforcement proceedings(s).

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

15 16. Notice. Any notice required under this Consent Order shall be provided to each party  
16 by email and overnight mail/courier service at the following addresses.

17  
18 To Meratas: Harris Bogner  
19 Compliance Officer  
20 Meratas, Inc.  
21 Attn: Darius Goldman  
22 700 Canal Street, Floor 1  
Stamford, CT 06902  
Harris@meratas.com

23 To the Commissioner: Kelly Suk  
24 Senior Counsel, Enforcement Division  
25 Department of Financial Protection and Innovation  
26 320 West Fourth Street, Suite 750  
27 Los Angeles, CA  
28 90013  
[Kelly.suk@dfpi.ca.gov](mailto:Kelly.suk@dfpi.ca.gov)

17. Signatures. A fax or electronic-mail signature will be deemed an original signature.

The parties to this agreement have consented to execute this agreement by electronic means

1 pursuant to the California Uniform Electronic Transactions Act, Cal. Civil Code sections 1633.1 *et*  
2 *seq.*

3 18. Public Record. Respondent hereby acknowledges that this Consent Order is a matter  
4 of public record.

5 19. Effective Date. This Consent Order shall become final and effective when signed by  
6 all parties and delivered by the Commissioner’s agent via e-mail to Harris Bogner at  
7 [harris@meratas.com](mailto:harris@meratas.com).

8 20. Authority to Sign. Each signatory hereto covenants that he/she possesses all  
9 necessary capacity and authority to sign and enter into this Consent Order and undertake the  
10 obligations set forth herein.

11 This Consent Order is in the public interest, is necessary for the protection of investors, and  
12 is consistent with the purposes, policies, and provisions of the SLSA and the CCFPL.

13  
14 Dated: May 7, 2024

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



15  
16  
17 By: \_\_\_\_\_  
18 Mary Ann Smith  
19 Deputy Commissioner  
20 Enforcement Division

21 Dated: May 6, 2024

22  
23 MERATAS, INC.

24 By: \_\_\_\_\_

25 Name: \_\_\_\_\_

26 Title: \_\_\_\_\_  
27  
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