
IN THE MATTER OF:
V & R RECOVERY
("Respondent")

**NOTICE OF INTENT TO ISSUE
ORDER TO CEASE AND DESIST**

**NOTICE OF INTENT TO IMPOSE
CIVIL PENALTY**

AND

NOTICE OF RIGHT TO HEARING

I. LEGAL AUTHORITY AND JURISDICTION

The Banking Commissioner ("Commissioner") is charged with the administration of Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, "Consumer Collection Agencies", and the regulations promulgated thereunder, Sections 36a-809-6 to 36a-809-17, inclusive, of the Regulations of Connecticut State Agencies ("Regulations").

Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, as amended by Public Act 18-173, the Commissioner, through the Consumer Credit Division ("Division") of the Department of Banking ("Department"), has investigated the activities of Respondent to determine if it has violated, is violating or is about to violate the provisions of the Connecticut General Statutes or Regulations within the jurisdiction of the Commissioner.

Section 36a-17(a) of the Connecticut General Statutes, as amended, provides, in pertinent part, that:

The commissioner, in the commissioner's discretion and as often as the commissioner deems necessary to carry out the purposes of applicable law and the duties of the commissioner, may, subject to the provisions of section 36a-21 and the Freedom of Information Act, as defined in section 1-200: (1) Make, within or outside this state, such public or private investigations or examinations concerning any person subject to the jurisdiction of the commissioner

Section 36a-52(a) of the 2018 Supplement to the General Statutes provides, in pertinent part, that:

Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any provision of the general statutes within the jurisdiction of the commissioner, or any regulation . . . adopted . . . thereunder, the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt The notice shall be deemed received by the person on the earlier of the date of actual receipt, or seven days after mailing or sending Any such notice shall include: (1) A statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the general statutes, [or] regulations . . . alleged to have been violated; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that such person may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice. If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice, unless the person fails to appear at the hearing. After the hearing, the commissioner shall determine whether an order to cease and desist should be issued against the person named in the notice. If the person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54.

Section 36a-50(a) of the 2018 Supplement to the General Statutes provides, in pertinent part, that:

(1) Whenever the commissioner finds as the result of an investigation that any person has violated any provision of the general statutes within the jurisdiction of the commissioner, or any regulation . . . adopted . . . thereunder, the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt The notice shall be deemed received by the person on the earlier of the date of actual receipt or seven days after mailing or sending Any such notice shall include: (A) A statement of the time, place, and nature of the hearing; (B) a statement of the legal authority and jurisdiction under which the hearing is to be held; (C) a reference to the particular sections of the general statutes, [or] regulations . . . alleged to have been violated; (D) a short and plain statement of the matters asserted; (E) the maximum penalty that may be imposed for such violation; and (F) a statement indicating that such person may file a written request for a hearing on the matters asserted not later than fourteen days after receipt of the notice.

(2) If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice unless such person fails to appear at the hearing. After the hearing, if the commissioner finds that the person has violated any such provision, [or]

regulation, . . . the commissioner may, in the commissioner's discretion and in addition to any other remedy authorized by law, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person. If such person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person.

(3) Each action undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54.

Section 36a-804(b) of the Connecticut General Statutes, as amended by Public Act 18-173, provides, in pertinent part, that:

Whenever it appears to the commissioner that (1) any person has violated, is violating or is about to violate any of the provisions of sections 36a-800 to 36a-814, inclusive, . . . or any regulation adopted pursuant thereto, . . . the commissioner may take action against such person . . . in accordance with sections 36a-50 and 36a-52.

II. MATTERS ASSERTED

1. Respondent is allegedly a Chicago based company with an address of 239 S. Dearborn Street, 5th Floor, Chicago, Illinois.
2. On March 8, 2018, Respondent attempted to collect a debt of a Connecticut resident by email for an old automobile repossession.
3. On March 9, 2018, the Connecticut resident filed a complaint with the Office of the Connecticut Attorney General, which was forwarded to the Department, regarding Respondent's collection attempt.
4. At no time relevant hereto was Respondent licensed to act as a consumer collection agency in this state nor was Respondent otherwise exempt from such licensure.
5. On March 28, 2018, the Department sent Respondent an unlicensed consumer collection agency letter by certified mail, return receipt requested. The letter was signed for but later returned as undeliverable by the post office with the envelope opened and taped shut with a plain white sticker covering the address.

6. On May 18, 2018, the Division sent an email to Respondent regarding its unlicensed consumer collection activity. As of the date of this Notice, no response has been received.

III. STATUTORY BASIS FOR ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY

Section 36a-800 of the 2018 Supplement to the General Statutes, as amended by Public Act 18-173, provides, in pertinent part, that:

(3) “Consumer collection agency” means any person (A) engaged as a third party in the business of collecting or receiving payment for others or any account, bill or other indebtedness from a consumer debtor

(4) “Consumer debtor” means any natural person, not an organization, who has incurred indebtedness or owes a debt for personal, family or household purposes

(6) “Creditor” means a person . . . that retains, hires, or engages the services of a consumer collection agency[.]

Section 36a-801(a) of the 2018 Supplement to the General Statutes, as amended by Public Act 18-173, provides, in pertinent part, that:

No person shall act within this state as a consumer collection agency, directly or indirectly, unless such person has first obtained a required consumer collection agency license for such person’s main office and for each branch office where such person’s business is conducted. A consumer collection agency is acting within this state if it . . . (2) has its place of business located outside this state and (A) collects from consumer debtors . . . who reside within this state for creditors who are located within this state . . . ; [or] (3) has its place of business located outside this state and regularly collects from consumer debtors . . . who reside within this state for creditors who are located outside this state

Respondent’s acting within this state as a consumer collection agency without a consumer collection agency license, as more fully described in paragraphs 1 through 4, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-801(a) of the 2018 Supplement to the General Statutes, as amended. Such violation forms the basis to issue an order to cease and desist pursuant to Section 36a-804(b) of the Connecticut General Statutes, as amended, and Section 36a-52(a) of the 2018 Supplement to the General Statutes and an order imposing civil penalty pursuant to Section 36a-804(b) of the Connecticut General

Statutes, as amended, and Section 36a-50(a) of the 2018 Supplement to the General Statutes. Section 36a-50(a) of the 2018 Supplement to the General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

**IV. NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST,
NOTICE OF INTENT TO IMPOSE CIVIL PENALTY
AND NOTICE OF RIGHT TO HEARING**

WHEREAS, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which forms a basis to issue an order to cease and desist against Respondent pursuant to Section 36a-804(b) of the Connecticut General Statutes, as amended, and Section 36a-52(a) of the 2018 Supplement to the General Statutes and to impose a civil penalty pursuant to Section 36a-804(b) of the Connecticut General Statutes, as amended, and Section 36a-50(a) of the 2018 Supplement to the General Statutes.

NOW THEREFORE, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating Section 36a-801(a) of the 2018 Supplement to the General Statutes, as amended, and impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegation set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following Respondent's receipt of this Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in Sections 36a-52(a) and 36a-50(a) of the 2018 Supplement to the General Statutes. This Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If Respondent will not be represented by an attorney at the hearing, please

complete the Appearance and Request for Hearing Form as “pro se”. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on December 12, 2018, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If Respondent does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegation herein will be deemed admitted. Accordingly, the Commissioner will issue an order that Respondent cease and desist from violating Section 36a-801(a) of the 2018 Supplement to the General Statutes, as amended, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

Dated at Hartford, Connecticut,
this 22nd day of October 2018.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 25th day of October 2018, I caused to be mailed by certified mail, return receipt requested, the foregoing Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing to V & R Recovery, 239 S. Dearborn Street, 5th Floor, Chicago, Illinois 60604, Certified Mail No. 7012 3050 0000 6999 5613.

_____/s/_____
Tina M. Daigle
Paralegal