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<b>IN THE MATTER OF:</b>	<b>TEMPORARY ORDER TO CEASE AND DESIST</b>
<b>NICOLE DUBACH</b>	<b>NOTICE OF INTENT TO REVOKE CONSUMER COLLECTION AGENCY LICENSE</b>
<b>(“DuBach”)</b>	
<b>TRU-CONTACT INCORPORATED</b>	<b>NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST</b>
<b>D/B/A TCI</b>	
<b>NMLS # 1099106</b>	
<b>(“Tru-Contact”)</b>	
<b>TEK-COLLECT INCORPORATED</b>	<b>NOTICE OF INTENT TO IMPOSE CIVIL PENALTY</b>
<b>NMLS # 1012712</b>	
<b>(“Tek-Collect”)</b>	
<b>(collectively, “Respondents”)</b>	<b>AND</b>
	<b>NOTICE OF RIGHT TO HEARING</b>

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### **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 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, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, commenced an examination concerning 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 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; [and] (2) require or permit any person to testify, produce a record or file a statement in writing, under oath, or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter to be investigated or about which an action or proceeding is pending . . . .

Section 36a-51 of the Connecticut General Statutes provides, in pertinent part, that:

(a) The commissioner may . . . revoke . . . any license issued by the commissioner under any provision of the general statutes by sending a notice to the licensee by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt, or by personal delivery, as defined in section 4-166, in accordance with section 36a-52a. The notice shall be deemed received by the licensee on the earlier of the date of actual receipt or seven days after mailing or sending, and in the case of a notice sent by electronic mail, the notice shall be deemed received by the licensee in accordance with section 36a-52a. 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 . . . involved; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that the licensee may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice. . . .

(b) 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 licensee fails to appear at the hearing. After the hearing, the commissioner shall . . . revoke . . . the license for any reason set forth in the applicable licensing provisions of the general statutes if the commissioner finds sufficient grounds exist for such . . . revocation . . . . If the licensee does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall . . . revoke . . . the license. No such license shall be . . . revoked except in accordance with the provisions of chapter 54.

(c)(1) Any licensee may surrender any license issued by the commissioner under any provision of the general statutes by surrendering the license to the commissioner in person or by registered or certified mail, provided, in the case of a license issued through the system, as defined in section 36a-2, such surrender shall be initiated by filing a

request to surrender on the system. No surrender on the system shall be effective until the request to surrender is accepted by the commissioner. Surrender of a license shall not affect the licensee's civil or criminal liability, or affect the commissioner's ability to impose an administrative penalty on the licensee pursuant to section 36a-50 for acts committed prior to the surrender. . . . If no proceeding is pending or has been instituted by the commissioner at the time of surrender, or, in the case of a license issued through the system, at the time a request to surrender is filed, the commissioner may still institute a proceeding to . . . revoke . . . a license under subsection (a) of this section up to the date one year after the date of receipt of the license by the commissioner, or, in the case of a license issued through the system, up to the date one year after the date of the acceptance by the commissioner of a request to surrender a license.

- (2) If any license issued on the system expires due to the licensee's failure to renew such license, the commissioner may institute a revocation . . . proceeding, or issue an order revoking . . . the license, under applicable authorities not later than one year after the date of such expiration.

Section 36a-52 of the Connecticut General Statutes provides, in pertinent part, that:

- (a) 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, rule or order adopted or issued 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, unless such person is licensed by the commissioner, in which case the notice may be provided by personal delivery, as defined in section 4-166, in accordance with section 36a-52a. 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, and in the case of a notice sent by electronic mail, the notice shall be deemed received by the person in accordance with section 36a-52a. 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, regulations, rules or orders 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.

(b) If the commissioner finds that the public welfare requires immediate action, the commissioner may incorporate a finding to that effect in the notice sent in accordance with subsection (a) of this section and issue a temporary order requiring the person to cease and desist from the activity which constitutes such alleged violation and to take or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section. Such temporary order shall become effective on receipt and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in the notice.

Section 36a-50(a) of the Connecticut General Statutes provides 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, rule or order adopted or issued 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, unless such person is licensed by the commissioner, in which case the notice may be provided by personal delivery, as defined in section 4-166, in accordance with section 36a-52a. 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, and in the case of a notice sent by electronic mail, the notice shall be deemed received by the person in accordance with section 36a-52a. 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, regulations, rules or orders 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, regulation, rule or order, 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 4-182(c) of the Connecticut General Statutes provides, in pertinent part, that:

No revocation . . . of any license is lawful unless, prior to the institution of agency proceeding, the agency gave notice by mail to the licensee of facts or conduct which warrant the intended action and the specific provisions of the general statutes or of regulations adopted by the agency that authorize such intended action, and the licensee was given an opportunity to show compliance with all lawful requirements for the retention of the license. . . .

Section 36a-804 of the Connecticut General Statutes provides, in pertinent part, that:

(a) The commissioner may . . . revoke . . . any license or take any other action, in accordance with the provisions of section 36a-51, for any reason which would be sufficient grounds for the commissioner to deny an application for a license under sections 36a-800 to 36a-814, inclusive, or if the commissioner finds that the licensee or any control person, qualified individual, branch manager, trustee, employee or agent of such licensee has done any of the following: (1) Made any material misstatement in the application or in any filing made in connection with the license; (2) committed any fraud or misrepresentation or misappropriated funds; or (3) violated any of the provisions of this title or of any regulation or order adopted or issued pursuant thereto pertaining to any such person, or any other law or regulation applicable to the conduct of such licensee's consumer collection agency business.

(b) 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, (2) any person is, was or would be a cause of the violation of any such provision or regulation due to an act or omission such person knew or should have known would contribute to such violation, or (3) the licensee or any control person, qualified individual, branch manager, trustee, employee or agent of such licensee has committed any fraud, made any misrepresentation or misappropriated funds, the commissioner may take action against such person or licensee in accordance with sections 36a-50 and 36a-52.

## **II. MATTERS ASSERTED**

1. Tek-Collect is an Ohio corporation with a business address of 871 Park Street, Columbus, Ohio.

Tek-Collect has not been licensed as a consumer collection agency in this state since August 2013.

2. On August 15, 2013, the Commissioner issued a Consent Order against Tek-Collect (“Consent Order”). The Consent Order required that Tek-Collect surrender its consumer collection agency license in this state and that Tek-Collect and any successor in interest be barred from acting as a consumer collection agency in this state for a period of three years.

3. At such time, Thomas D. Schultz (“Schultz”) was the sole member of CAP360 Marketing Group LLC, an Ohio limited liability company, which was responsible for marketing Tek-Collect’s consumer collection services.

4. Since the expiration of the three year period, as more fully described in paragraph 2 above, Tek-Collect has not applied for a consumer collection agency license in this state and to date remains unlicensed.

5. On August 8, 2013, as a term of the Consent Order, Schultz represented to the Commissioner that on a permanent basis, he would not:

(1) [A]ct as a director, officer, partner, member, owner, control person or principal employee of any person acting as a consumer collection agency within the state of Connecticut, or act indirectly in such capacity through a third-party entity; or (2) be involved directly, or indirectly, in the collection of any consumer debt in the state of Connecticut, or in the solicitation of clients’ accounts for such collection.

6. Tru-Contact is a Michigan corporation with its main office at 1105 Schrock Road, Suite 503, Columbus, Ohio. Since October 28, 2013, Respondent has been licensed to act as a consumer collection agency in this state with a trade name of “TCI”. Tru-Contact failed to renew its license and said license expired on January 1, 2019.

7. At all times relevant hereto, DuBach has been the President, sole owner, officer and employee of Tru-Contact.

8. DuBach is a resident of Michigan and, according to her LinkedIn profile, is a Registered Nurse and Clinical Nursing Instructor. The Michigan Department of Licensing and Regulatory Affairs confirms that she is a licensed Registered Nurse. Her LinkedIn profile does not reference Tru-Contact or any consumer collection agency activity.

Examination

9. By e-mail dated April 30, 2018, the Division commenced an examination of Tru-Contact. On such date, the Division requested that Tru-Contact complete a Connecticut Consumer Collection Agency Management Questionnaire and Information Request and provide certain documentation as indicated by items IR 01 through IR 100 (“Requested Information”) to the Division no later than May 18, 201[8], with responses to items IR 03, IR 33 and IR 78 being due no later than May 8, 2018. IR 78 requested “an Excel spreadsheet of all Connecticut debtor account activity for the period April 1, 2017 - March 31, 2018”.

10. By e-mail dated May 9, 2018, DuBach provided partial responses to IR 03, IR 33 and IR 78 and represented that Tru-Contact was attempting to collect approximately 1,644 consumer accounts as of the most recent month end. DuBach also indicated that she was currently completing the remainder of the Management Questionnaire and Information Request document.

11. By e-mail dated May 16, 2018, in response to an extension request by DuBach, the Division extended the deadline for the Requested Information to May 23, 2018.

12. When the Requested Information had not yet been provided to the Division by May 30, 2018, the Division, by e-mail dated the same day, notified Tru-Contact that its lack of response may cause the Commissioner to be unable to make all the findings required for its continued licensure as a consumer collection agency in Connecticut.

13. On May 30, 2018, DuBach responded to the Division’s e-mail stating that she had engaged counsel who would communicate with the Division regarding its examination.

14. On June 1, 2018, the Division reiterated its request and informed Tru-Contact that the Requested Information must be provided to the Division by close of business on the following Monday, June 4, 2018.

15. On June 4, 2018, DuBach responded that she would send “everything I can tomorrow.” On June 5, 2018, Tru-Contact failed to provide any additional information, but did notify the Division of its intent to surrender its consumer collection agency license in Connecticut effective July 20, 2018.

16. On June 8, 2018, counsel for Tru-Contact informed the Division that he was coordinating with Tru-Contact to formulate a response and expected that it would be provided by Monday, June 11, 2018.

17. On June 13, 2018, the Division inquired as to the status of the Requested Information, to which counsel for Tru-Contact informed the Division that “it will take some time to prepare responses to all 100 requests. We will follow up with you shortly with an estimate as to when the responses will be complete.”

18. On June 22, 2018, the Division inquired again about the Requested Information, to which Tru-Contact’s counsel replied “[a]s I understand it, Tru-Contact has been working diligently to complete the examination questions. I expect that the responses will be complete within the next 5-7 business days.” During the next month, Tru-Contact failed to provide any additional information.

19. On August 23, 2018, the Division provided Tru-Contact an opportunity to show compliance for the retention of its consumer collection agency license in Connecticut pursuant to Section 4-182(c) of the Connecticut General Statutes.

20. On September 23, 2018, Tru-Contact filed an amendment to its previous intent to surrender its consumer collection agency license in Connecticut, which original intent to surrender is more fully described in paragraph 15 above, providing a new effective date of September 23, 2018, which surrender has not yet been accepted by the Commissioner.

21. On August 30, 2018, DuBach provided certain additional responses to the Information Request, including the assertions that Tru-Contact does not have any employees other than Dubach and does not use any third-party collection agencies to conduct business. However, Tru-Contact failed to provide all the information that had been requested by the Division, including, but not limited to, financial statements, bank account information, and client and Connecticut consumer debtor information. Also on

such date, DuBach stated that “I hope to have a second set of responses for you around September 11<sup>th</sup>/12<sup>th</sup> and then a third, and hopefully final set of responses for you about two weeks thereafter”.

22. Contrary to its representations, to date, Tru-Contact has failed to provide all of the Requested Information.

23. Section 36a-809-16(a) of the Regulations of Connecticut State Agencies requires, in pertinent part, that “[n]o consumer collection agency shall terminate its business unless the following conditions have been met: . . . (2) [a]ll clients of the consumer collection agency are notified in writing of the proposed termination and its date at least thirty days prior to that date.”

24. On September 23, 2018, DuBach provided an affidavit to the Division indicating that Tru-Contact provided notice of its intent to surrender its Connecticut consumer collection agency license to three identified clients. However, the Division is aware that Tru-Contact had provided notice to at least one other client who had placed Connecticut consumer debtor accounts with Tek-Collect for collection that was not identified by DuBach in her affidavit.

#### Scheme to Defraud

25. At all relevant times hereto, Tru-Contact acted as an alter ego of Tek-Collect to facilitate Tek-Collect’s ability to tout itself as a nationwide collection agency and collect on consumer debtor accounts in Connecticut.

26. Tek-Collect purports to be licensed in all 50 states and is endorsed by several organizations conducting business nationwide, including, but not limited to, the National Propane Gas Association, athenahealth and Greenway Health.

27. From at least March 2017 to September 2018, Tek-Collect entered into at least one agreement with a creditor to collect on accounts of Connecticut consumer debtors and collected or attempted to collect on over 500 accounts of Connecticut consumer debtors, while not licensed as a consumer collection agency in Connecticut.

28. Tru-Contact provided notice of its intent to surrender to at least one of the creditors who had contracted with Tek-Collect for consumer collection services, even though such creditor had contracted with Tek-Collect and not Tru-Contact for consumer collection services.

29. From at least July 2016 to September 2018, Tru-Contact and Tek-Collect commingled operations and funds. Tru-Contact and Tek-Collect used the same form to enroll new clients and offered the same Binary Collection Program that requires clients to pay upfront fees for collection services. Tru-Contact and Tek-Collect utilized the tradenames “TCI” and “TCI Incorporated”, respectively. Tru-Contact’s website states that its leadership team has over 100 years’ combined experience, even though its sole owner and employee appears to have no consumer collection agency experience. Bank statements evidence several wire transfers and deposits between Tek-Collect, Tru-Contact and CAP360 Marketing Group LLC, including at least one payment from a Connecticut client to Tek-Collect for consumer collection services subsequently deposited by Tru-Contact. In addition, CAP360 Marketing Group, LLC checks appear to be endorsed by “Tom Schultz”.

### **III. STATUTORY BASIS FOR REVOCATION OF CONSUMER COLLECTION AGENCY LICENSE, ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY**

Prior to October 1, 2018, Section 36a-17 of the Connecticut General Statutes provided, in pertinent part, that:

- (c) For the purpose of any . . . examination . . . under this title the commissioner may . . . require written statements and require the production of any records which the commissioner deems relevant or material. . . .
- (d) Any person who is the subject of any such . . . examination . . . shall make its records available to the commissioner in readable form; . . . provide copies or computer printouts of records when so requested; furnish unrestricted access to all areas of its principal place of business or wherever records may be located; and otherwise cooperate with the commissioner. . . .
- (f) As used in this section, “records” includes, but is not limited to, books, papers, correspondence, memoranda, agreements, diaries, logs,

notes, ledgers, journals, visual, audio, magnetic or electronic recordings, computer printouts and software, and any other documents.

Section 36a-53a of the Connecticut General Statutes provides that:

No person shall make or cause to be made orally or in any document filed with the commissioner or in any proceeding, investigation or examination under this title, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

Section 36a-53b of the Connecticut General Statutes provides that:

No person shall, in connection with any activity subject to the jurisdiction of the commissioner: (1) Employ any device, scheme or artifice to defraud; (2) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Section 36a-801 of the Connecticut General Statutes provides, in pertinent part, that:

(a) 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 (1) has its place of business located within this state; (2) has its place of business located outside this state and (A) collects from consumer debtors, property tax debtors or federal income tax debtors who reside within this state for creditors who are located within this state, or (B) collects from consumer debtors, property tax debtors or federal income tax debtors who reside within this state for such consumer collection agency's own account; (3) has its place of business located outside this state and regularly collects from consumer debtors, property tax debtors or federal income tax debtors who reside within this state for creditors who are located outside this state; or (4) has its place of business located outside this state and is engaged in the business of collecting child support for creditors located within this state from consumer debtors who are located outside this state. . . .

(c)(2) If the commissioner finds, upon the filing of an application for a consumer collection agency, that (A) the financial responsibility, character, reputation, integrity and general fitness of the applicant, the control persons of the applicant, the qualified individual and any branch manager are such to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of sections 36a-800 to 36a-814, inclusive, and (B) the applicant is solvent and no proceeding in bankruptcy, receivership or assignment

for the benefit of creditors has been commenced against the applicant, the commissioner may, upon such finding, issue the applicant a consumer collection agency license. If the commissioner fails to make such findings, the commissioner shall not issue a license and shall notify the applicant of the reasons for such denial. . . .

1. DuBach's making false or misleading statements to the Commissioner in connection with the Division's examination and Tru-Contact's request to surrender its consumer collection agency license in Connecticut, as more fully described in paragraphs 6 through 24, inclusive, of the Matters Asserted, constitutes violations of Section 36a-53a of the Connecticut General Statutes. Such violations form the basis to issue an order to cease and desist against DuBach pursuant to Section 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty pursuant to Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon DuBach in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

2. As President and sole owner of Tru-Contact, DuBach's conspiring with the unlicensed consumer collection agency Tek-Collect to provide consumer collection services in Connecticut and concealing such arrangement from persons, including the Department, as more fully described in paragraphs 1 through 29, inclusive, of the Matters Asserted, constitutes employing a device, scheme or artifice to defraud, making an untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, and engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person, in violation of Section 36a-53b of the Connecticut General Statutes. Such violations form the basis to issue an order to cease and desist against Dubach pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon DuBach in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

3. Tru-Contact's conspiring with Tek-Collect to provide consumer collection services in Connecticut and concealing such arrangement from persons, including the Department, as more fully described in paragraphs 1 through 29, inclusive, of the Matters Asserted, constitutes employing a device, scheme or artifice to defraud, making an untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, and engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person, in violation of Section 36a-53b of the Connecticut General Statutes. Such violations constitute sufficient grounds for the Commissioner to revoke Tru-Contact's license to act as a consumer collection agency in this state pursuant to Section 36a-804(a) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and form the basis to issue an order to cease and desist against Tru-Contact pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Tru-Contact in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

4. Tru-Contact's failure to produce to the Commissioner all records requested in connection with its examination, as more fully described in paragraphs 6, 7 and 9 through 24, inclusive, of the Matters Asserted, constitutes Tru-Contact's failure to make its records available to and otherwise cooperate with the Commissioner, in violation of Section 36a-17(d) of the Connecticut General Statutes, in effect prior to October 1, 2018. Such violation constitutes sufficient grounds for the Commissioner to revoke Tru-Contact's license to act as a consumer collection agency in this state pursuant to Section 36a-804(a) and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms the basis to issue an order to cease and desist against Tru-Contact pursuant to Sections 36a-804(a) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-804(a) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes

authorizes the Commissioner to impose a civil penalty upon Tru-Contact in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

5. Tru-Contact's conduct, as more fully described in paragraphs 1 through 29, inclusive, of the Matters Asserted, renders the Commissioner unable to determine that the financial responsibility, character, reputation, integrity and general fitness of Tru-Contact are such to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of Sections 36a-800 to 36a-814, inclusive, as required pursuant to Section 36a-801(c)(2) of the Connecticut General Statutes. Such failure constitutes sufficient grounds to deny an application for licensure, which constitutes sufficient grounds for the Commissioner to revoke Tru-Contact's consumer collection agency license in Connecticut, pursuant to Section 36a-804(a) and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

6. Tek-Collect's collection or attempt to collect on accounts of Connecticut consumer debtors without a consumer collection agency license in Connecticut, as more fully described in paragraphs 1, 2 and 25 through 29, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-801(a) of the Connecticut General Statutes in effect at such time. Such conduct forms the basis to issue an order to cease and desist against Tek-Collect pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Tek-Collect in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

7. Tek-Collect's conspiring with Tru-Contact to conduct consumer collection agency services in Connecticut and concealing such arrangement from persons, including the Department, as more fully described in paragraphs 1 through 29, inclusive, of the Matters Asserted, constitutes employing a device, scheme or artifice to defraud, making an untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are

made, not misleading, and engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person, in violation of Section 36a-53b of the Connecticut General Statutes. Such violations form the basis to issue an order to cease and desist against Tek-Collect pursuant to Section 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Tek-Collect in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

#### **IV. FINDING AND STATUTORY BASIS FOR TEMPORARY ORDER TO CEASE AND DESIST**

The Commissioner finds that the public welfare requires immediate action to issue a temporary order requiring Tek-Collect to cease and desist from violating Section 36a-801(a) of the Connecticut General Statutes, and requiring Tek-Collect to take such action as set forth herein to effectuate the purposes of Section 36a-52(b) of the Connecticut General Statutes, in that the interests of Connecticut consumer debtors are being prejudiced by Tek-Collect's collecting and attempting to collect debts of Connecticut consumer debtors without a Connecticut consumer collection agency license.

#### **V. TEMPORARY ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO REVOKE CONSUMER COLLECTION AGENCY LICENSE, 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 Respondents engaged in acts or conduct which constitute sufficient grounds for the Commissioner to revoke Tru-Contact's license to act as a consumer collection agency in this state pursuant to Section 36a-804(a) and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms the basis to issue an order to cease and desist against Respondents pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondents pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes;

**AND WHEREAS**, the Commissioner has made the finding required under Section 36a-52(b) of the Connecticut General Statutes.

**THE COMMISSIONER THEREFORE ORDERS**, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Tek-Collect Incorporated immediately **CEASE AND DESIST** from any further violation of Section 36a-801(a) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Tek-Collect Incorporated and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

**THE COMMISSIONER FURTHER ORDERS**, pursuant to Sections 36a-17(a) and 36a-52(b) of the Connecticut General Statutes, that: Not later than fourteen (14) days from receipt of this Temporary Order to Cease and Desist, Notice of Intent to Revoke Consumer Collection Agency License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing, Tek-Collect Incorporated shall provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov: (a) A list of all creditors with whom Tek-Collect Incorporated has entered into agreements for consumer collection agency services in this state since August 2013, including a copy of each creditor agreement and all payments made by such creditors to Tek-Collect Incorporated; (b) an itemized list of each Connecticut consumer debtor account for which Tek-Collect Incorporated has collected on or attempted to collect upon since August 2013, including (1) the name, address, and telephone number of each consumer debtor, (2) the date of placement with Tek-Collect Incorporated, the creditor name, and last attempt of contact, and (3) full itemization of each consumer debtor's payments made since August 2013, specifying the dates, amounts and to whom such payments were made; and (c) any and all agreements between Tek-Collect Incorporated and Tru-Contact Incorporated.

**FURTHER**, notice is hereby given to DuBach that the Commissioner intends to issue an order requiring DuBach to **CEASE AND DESIST** from violating Sections 36a-53a and 36a-53b of the

Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon DuBach as set forth herein, subject to DuBach's right to a hearing on the allegations set forth above.

**FURTHER**, notice is hereby given to Tru-Contact that the Commissioner intends to **REVOKE** Tru-Contact's license to act as a consumer collection agency in this state, to issue an order requiring Tru-Contact to **CEASE AND DESIST** from violating Sections 36a-17(d) and 36a-53b of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Tru-Contact as set forth herein, subject to Tru-Contact's right to a hearing on the allegations set forth above.

**FURTHER**, notice is hereby given to Tek-Collect that the Commissioner intends to issue an order requiring Tek-Collect to **CEASE AND DESIST** from violating Sections 36a-53b and 36a-801(a) of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Tek-Collect as set forth herein, subject to Tek-Collect's right to a hearing on the allegations set forth above.

A hearing will be granted to each 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 each Respondent's receipt of this Temporary Order to Cease and Desist, Notice of Intent to Revoke Consumer Collection Agency License, 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 subsections (a) and (b) of Section 36a-51, and Sections 36a-52(a) and 36a-50(a) of the Connecticut General Statutes. This Temporary Order to Cease and Desist, Notice of Intent to Revoke Consumer Collection Agency License, 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 any 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 presiding 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 May 23, 2019, 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 any Respondent fails to appear at the requested hearing. At such hearing, Respondents 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 DuBach does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegations herein will be deemed admitted. Accordingly, the Commissioner will issue an order that DuBach cease and desist from violating Sections 36a-53a and 36a-53b of the Connecticut General Statutes, and may order a civil penalty not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon DuBach.

If Tru-Contact does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegations herein will be deemed admitted. Accordingly, the Commissioner will issue an order revoking Tru-Contact's license to act as a consumer collection agency in this state, issue an order that Tru-Contact cease and desist from violating Sections 36a-17(d) and 36a-53b of the Connecticut General Statutes, and may order a civil penalty not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Tru-Contact.

If Tek-Collect does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegations herein will be deemed admitted. Accordingly, the Commissioner will issue an order that Tek-Collect cease and desist from violating Sections 36a-53b and 36a-801(a) of the Connecticut General Statutes, and may order a civil penalty not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Tek-Collect.

So ordered at Hartford, Connecticut  
this 28th day of March 2019.

/s/

Jorge L. Perez  
Banking Commissioner