
IN THE MATTER OF:

**VIRGO MUNICIPAL FINANCE
FUND LIMITED PARTNERSHIP**

(“Virgo”)

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CONSENT ORDER

WHEREAS, 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”);

WHEREAS, Virgo is a Delaware limited partnership with an office located at 164 Mason Street, Floor 2 South, Greenwich, Connecticut;

WHEREAS, Virgo has never been licensed to act as a consumer collection agency in Connecticut;

WHEREAS, on September 25, 2018, the Commissioner received a complaint from a Connecticut attorney alleging that Virgo was attempting to collect on sewer liens it had purchased in Connecticut without a consumer collection agency license;

WHEREAS, following receipt of said complaint, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Department”), conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes into the activities of Virgo to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner;

WHEREAS, as a result of the investigation, the Commissioner alleges that from October 2013 to the present, Virgo acted within this state as a consumer collection agency without the requisite license, in violation of Section 36a-801(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegation could support the initiation of enforcement proceedings against Virgo, including, without limitation, proceedings to issue a cease and desist order against Virgo 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;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, effective October 1, 2013, Connecticut law was amended by Public Act 13-253 to require consumer collection agency licensure of persons who collect on delinquent or defaulted consumer debt purchased from another person (“debt buyers”);

WHEREAS, Virgo represents that it had purchased a small amount of sewer liens for collection from the Town of Cheshire pursuant to a contract it had entered into prior to the date on which consumer collection agency licensure was required of debt buyers in Connecticut;

WHEREAS, Virgo represents that it does not buy or collect on any other type of consumer debt and is no longer purchasing liens from the Town of Cheshire;

WHEREAS, Virgo represents that it had relied on a decision from the U.S. Second Circuit Court of Appeals holding that certain water and sewer liens imposed in New York City did not constitute “debt” under the federal Fair Debt Collection Practices Act and in good faith did not believe it needed to be licensed by the Commissioner as a consumer collection agency;

WHEREAS, since at least November 20, 2007, the Department has considered residential water and sewer use charges to be “debts” within the meaning of Connecticut consumer collection agency laws and regulations;

WHEREAS, to date, no Connecticut state court or federal court has construed whether such Connecticut consumer collection agency provisions pertain to the collection of residential water and sewer use liens;

WHEREAS, the Commissioner and Virgo acknowledge the possible ramifications of formal administrative proceedings, including, but not limited to, the uncertainty of the outcome for either party, and Virgo voluntarily agrees to consent to the below obligations without admitting the allegation set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

WHEREAS, the Commissioner and Virgo now desire to resolve the matters set forth herein;

WHEREAS, Virgo specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

WHEREAS, Virgo represents that it will comply fully with Section 36a-805(a)(12) of the Connecticut General Statutes;

WHEREAS, Virgo acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, Virgo, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF TERMS

WHEREAS, Virgo, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following terms:

1. No later than the date this Consent Order is executed by Virgo, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Five Thousand Dollars (\$5,000) as a civil penalty; and
2. Virgo shall cease and desist from acting within Connecticut as a consumer collection agency, directly or indirectly, without a license, in violation of Section 36a-801(a) of the Connecticut General Statutes.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Terms set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against Virgo based upon the allegation contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Virgo based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Virgo and reflected herein is subsequently discovered to be untrue;
3. Virgo shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Virgo and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Virgo to apply for or obtain a license or renewal license under Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, provided that all legal requirements for such license are satisfied and the terms of this Consent Order are being followed;
5. This Consent Order shall be binding upon Virgo, and its successors and assigns;

6. This Consent Order shall become final when issued; and
7. Nothing in this Consent Order shall be deemed an admission by Virgo of a violation of any Connecticut or federal law.

Issued at Hartford, Connecticut
this 20th day of December 2019.

/s/

Jorge L. Perez
Banking Commissioner

I, Nicole Anderson, state on behalf of Virgo Municipal Finance Fund Limited Partnership that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Virgo Municipal Finance Fund Limited Partnership; that Virgo Municipal Finance Fund Limited Partnership agrees freely and without threat or coercion of any kind to comply with the terms entered herein; and that Virgo Municipal Finance Fund Limited Partnership voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Nicole Anderson
Title: Managing Partner
Virgo Municipal Finance Fund Limited Partnership

State of: New York

County of: New York

On this the 13th day of December 2019, before me, Christine Chung, the undersigned officer, personally appeared Nicole Anderson, who acknowledged himself/herself to be the Managing Partner of Virgo Municipal Finance Fund Limited Partnership, a limited partnership, and that he/she as such Managing Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited partnership by himself/herself as Managing Partner.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: January 30, 2022