
IN THE MATTER OF:
LAW OFFICES OF DAVID M. KATZ, P.C.
(“Respondent”)

**TEMPORARY ORDER TO
CEASE AND DESIST**
**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

1. 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 Connecticut General Statutes.

2. Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes in effect at such time, 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 (“Investigation”).

3. As a result of the Investigation, the Commissioner has reason to believe that Respondent has violated Section 36a-801(a) of the Connecticut General Statutes in effect at such time.

4. As a result of the Investigation, the violation alleged by the Commissioner forms the basis to issue an order to cease and desist against Respondent pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes.

5. As a result of the Investigation, the violation alleged by the Commissioner forms the basis to impose a civil penalty against Respondent pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes.

II. MATTERS ASSERTED

6. Respondent is a New York law firm with its principal address at 71 Lafayette Avenue, Suffern, New York, and a business address at 516 West 162nd Street, Apt 5B, New York, New York. David M. Katz is an attorney licensed in the State of New York, Registration Number 4455093, and is the sole owner of Respondent. Attorney Katz is not a member of the Connecticut Bar.

7. On August 9, 2019, the Division discovered that Respondent was conducting unlicensed consumer collection activity for Connecticut accounts that were referred to it.

8. On October 17, 2019, the Division received a list of 9,788 Connecticut debtor accounts that were referred to Respondent between July 1, 2018 and June 30, 2019. The total balance of the accounts equals \$1,380,996, and total amount collected on the accounts by Respondent was \$80,709.62.

9. On November 20, 2019, the Division received a copy of the collection agreement dated July 5, 2017, which described terms and conditions with relation to the accounts placed with Respondent.

10. Respondent's consumer collection activities consisted of sending letters and contacting Connecticut debtors by telephone, as well as weekly reporting.

11. On December 3, 2019, the Division sent a certified letter to Respondent regarding its unlicensed consumer collection activity and requested a response, which was received on December 18, 2019.

12. On January 13, 2020, the Division requested a written explanation of Respondent's position, which was never provided.

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

13. Respondent's acting within this state as a consumer collection agency without a consumer collection agency license, as more fully described in paragraphs 6 through 12, inclusive, constitutes a violation of Section 36a-801(a) of the Connecticut General Statutes in effect at such time. Such violation forms the basis to issue an order to cease and desist pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, and to impose a civil penalty pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes. Section 36a-50(a) of the 2022 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. 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 Respondent to cease and desist from violating Section 36a-801(a) of the Connecticut General Statutes, and requiring Respondent to take such action as set forth herein to effectuate the purposes of Section 36a-52(b) of the 2022 Supplement to the General Statutes, in that the interests of Connecticut consumer debtors are being prejudiced by Respondent'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 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 the basis to issue an order to cease and desist against Respondent pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes and to impose a civil penalty pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes;

AND WHEREAS, the Commissioner has made the finding required under Section 36a-52(b) of the 2022 Supplement to the General Statutes.

THE COMMISSIONER THEREFORE ORDERS, pursuant to the authority granted in Section 36a-52(b) of the 2022 Supplement to the General Statutes, that Respondent immediately **CEASE AND DESIST** from any further violation of Section 36a-801(a) of the 2022 Supplement to the General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Respondent, 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 the authority granted in Sections 36a-17 and 36a-52(b) of the 2022 Supplement to the General Statutes, that Respondent shall, not later than fourteen (14) days after receipt of this Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing, 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 Respondent has entered into agreements for consumer collection agency services in this state since July 1, 2018, including a copy of each creditor agreement and all payments made by such creditors to Respondent; and
- (b) An itemized list of each Connecticut consumer debtor account for which Respondent has collected on or attempted to collect upon, either directly or indirectly through a third party, since July 1, 2018, including (1) the name, address and telephone number of each consumer debtor, (2) the date of placement with Respondent, the creditor name and last attempt of contact, and (3) full itemization of each consumer debtor's payments made since July 1, 2018, specifying the dates, amounts and to whom such payments were made, including any fees paid to Respondent, or any third party collection agency.

FURTHER, 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 2022 Supplement to the General Statutes, and to 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 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Temporary Order to Cease and Desist, 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 2022 Supplement to the General Statutes. This Temporary Order to Cease and Desist, 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 (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Respondent may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft Teams. 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 either in person or remotely via videoconference using Microsoft Teams on October 6, 2022, at 10 a.m.

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 the hearing is remote, it will be held in accordance with Section 149 of the June Special Session Public Act 21-2, as amended by Section 1 of Public Act 22-3, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent does not request a hearing within the time period 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 2022 Supplement to

the General Statutes 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 9th day of August 2022.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 9th day of August 2022, I caused to be mailed by certified mail, return receipt requested, the foregoing Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing to Law Offices of David M. Katz, P.C., Attention: David M. Katz, Esq., 71 Lafayette Avenue, Suffern, New York, 10901, Certified Mail No. 7020 2450 0000 7026 7349; and to Law Offices of David M. Katz, P.C., Attention: David M. Katz, Esq., 516 West 162nd Street, Apt 5B, New York, New York 10032, Certified Mail No. 7020 2450 0000 7026 7356.

/s/
Emily B. Bochman
Paralegal