
*
IN THE MATTER OF: *
*
FEDCHEX RECOVERY, LLC *
d/b/a FCR COLLECTION SERVICES *
NMLS # 1126700 *
*
(“FEDChex”) *
*

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, FEDChex is a California limited liability company with an office located at 27042 Towne Centre Drive, Suite 150, Foothill Ranch, California;

WHEREAS, FEDChex is licensed as a consumer collection agency in Connecticut;

WHEREAS, on August 31, 2018, the Department of Banking (“Department”) received information that an unlicensed entity, FCR Collection Services, sent a collection letter dated September 18, 2017, to a Connecticut resident, which letter contained the phrase “powered by FEDChex” printed within;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, has investigated and examined the activities of FEDChex pursuant to Section 36a-17 of the Connecticut General Statutes 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, at all times relevant hereto, FCR Collection Services was not a registered fictitious name of FEDChex on the Nationwide Multistate Licensing System and Registry (“NMLS”);

WHEREAS, as a result of such investigation and examination, the Commissioner alleges that in at least the month of September 2017, FEDChex used an unauthorized fictitious name, FCR Collection Services, in violation of Section 36a-801(i) of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against FEDChex, including, without limitation, proceedings to issue a cease and desist order against FEDChex pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon FEDChex, 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, both the Commissioner and FEDChex acknowledge the possible consequences of formal administrative proceedings, and FEDChex voluntarily agrees to consent to the entry of the sanction imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

WHEREAS, the Commissioner and FEDChex now desire to resolve the matter set forth herein;

WHEREAS, FEDChex represents to the Commissioner that it has reviewed and updated its internal policies, procedures and controls for timely and accurately filing any fictitious name it intends to use in Connecticut on NMLS for approval by the Commissioner;

WHEREAS, FEDChex represents that on February 8, 2019, FEDChex filed the fictitious name “FCR Collection Services” on NMLS to be approved by the Commissioner;

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

WHEREAS, FEDChex acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

AND WHEREAS, FEDChex, 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 SANCTION

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

1. No later than the date this Consent Order is executed by FEDChex, 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 Two Thousand Five Hundred Dollars (\$2,500) as a civil penalty.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanction set forth above be and is 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 FEDChex based upon the allegation set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against FEDChex 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 FEDChex and reflected herein is subsequently discovered to be untrue;
3. FEDChex 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 FEDChex and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order

shall adversely affect the ability of FEDChex 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 followed;

5. This Consent Order shall become binding upon FEDChex and its successor and assigns; and
6. This Consent Order shall become final when issued.

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

/s/

Jorge L. Perez
Banking Commissioner

I, Christi Flanigan, state on behalf of FEDChex Recovery, LLC d/b/a FCR Collection Services, 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 FEDChex Recovery, LLC d/b/a FCR Collection Services; that FEDChex Recovery, LLC d/b/a FCR Collection Services agrees freely and without threat or coercion of any kind to comply with the sanctions entered herein; and that FEDChex Recovery, LLC d/b/a FCR Collection Services 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: Christi Flanigan
Title: President
FEDChex Recovery, LLC d/b/a FCR Collection Services

State of:

County of:

On this the ____ day of _____ 2019, before me, _____, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of FEDChex Recovery, LLC d/b/a FCR Collection Services, a member managed/manager managed limited liability company, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as _____.

In witness whereof I hereunto set my hand.

Notary Public
Date Commission Expires: