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**IN THE MATTER OF:** \*  
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**CAPITAL ACCOUNTS, LLC** \*  
**NMLS # 969974** \*  
\*  
**(“Respondent”)** \*  
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**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. PRELIMINARY STATEMENT**

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 Regulations of Connecticut State Agencies (“Regulations”).

2. 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 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 the 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 Commissioner finds that the public welfare requires immediate action to issue an order to cease and desist from violating Section 36a-801(a) of the

Connecticut General Statutes, pursuant to Section 36a-52(b) of the Connecticut General Statutes, to prevent irreparable, immediate and future harm to Connecticut consumers.

5. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to issue an order to cease and desist against Respondent pursuant to Sections 36a-804(b)(1) and 36a-52(a) of the Connecticut General Statutes.

6. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to issue an order to impose a civil penalty pursuant to Sections 36a-804(b)(1) and 36a-50(a) of the Connecticut General Statutes.

## **II. MATTERS ASSERTED**

7. Respondent is a Tennessee limited liability company with an office at 310 Billingsly Court, Franklin, Tennessee, and was licensed to act as a consumer collection agency in Connecticut from September 27, 2009, to September 30, 2015, when its license expired.

8. On May 19, 2017, Respondent filed an application for licensure to act as a consumer collection agency in Connecticut (“Application”).

9. During its review of the Application, the Division discovered a complaint from a Connecticut consumer in December 2016 relating to Respondent’s engaging in unlicensed consumer collection activity in Connecticut.

10. As part of the Investigation, on June 7, 2017, the Division requested that Respondent provide records for any Connecticut collection activity conducted by Respondent during the previous 24-month time period.

11. On July 31, 2017, Respondent’s representative stated that there was no Connecticut collection activity conducted by Respondent during the previous 24-month time period.

12. When asked about the December 2016 complaint, as more fully described in paragraph 8 above, Respondent’s representative stated that “[a]ny collection attempts in Connecticut were inadvertent”, and that Respondent “has had no intentional contact with Connecticut consumers.”

13. On October 27, 2017, the Division requested Respondent to provide by November 3, 2017, all Connecticut collection activity conducted by Respondent, including unintentional contact, for the previous 24-month time period. Respondent requested an extension of the deadline to produce such records, which request was denied. To date, Respondent has failed to provide such records.

14. Respondent's website advertises Respondent's debt collection services and includes a testimonial from a Connecticut client who states: "I am very happy with the results when we send accounts to you. So glad I finally gave you a chance." On September 21, 2017, said client confirmed to the Division that they hired Respondent for debt collection and had been using them for years.

15. The Division has since discovered two additional Connecticut consumer complaints from December 2017 and February 2019.

16. At no time relevant hereto has Respondent been licensed to act as a consumer collection agency in Connecticut.

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

Respondent's acting within this state as a consumer collection agency without a consumer collection agency license, as more fully described in paragraphs 7 through 16, inclusive, of the Matters Asserted, constitutes violations of Section 36a-801(a) of the Connecticut General Statutes, in effect at such time. Such violations form the basis to issue an order to cease and desist pursuant to Sections 36a-804(b)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-804(b)(1) 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 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 Capital Accounts, LLC to cease and desist from violating Section 36a-801(a) of the

Connecticut General Statutes, and requiring Capital Accounts, LLC 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 Capital Accounts, LLC'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 Sections 36a-804(b)(1) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty pursuant to Sections 36a-804(b)(1) 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 Capital Accounts, LLC 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 Capital Accounts, LLC, 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 Connecticut General Statutes, that Capital Accounts, LLC shall:

No later than fourteen (14) days after receipt of this Temporary Order to Cease and Desist, Capital Accounts, LLC shall provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov, the following: (a) A list of all creditors with whom Capital Accounts, LLC has entered into agreements for consumer collection agency services in this state since September 30, 2015, including a copy of each creditor agreement and all payments made by such creditors to Capital Accounts, LLC; and (b) an itemized list of each Connecticut consumer debtor account for which Capital Accounts, LLC has collected on or attempted to collect upon

since September 30, 2015, including (1) the name, address, and telephone number of each consumer debtor, (2) the date of placement with Capital Accounts, LLC, the creditor name and last attempt of contact, and (3) full itemization of each consumer debtor's payments made since September 30, 2015, specifying the dates, amounts and to whom such payments were made;

**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 Connecticut 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 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 Connecticut 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 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 August 27, 2020, 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 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 Connecticut 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 26th day of June 2020.

/s/  
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Jorge L. Perez  
Banking Commissioner

**CERTIFICATION**

I hereby certify that on this 26th day of June 2020, 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 Capital Accounts, LLC, Attn: Greg Nowicki, President, 310 Billingsly Court, Franklin, TN 37067, Certified Mail No. 7019 1640 0000 1584 8884.

/s/ \_\_\_\_\_  
Carmen Calderon