
IN THE MATTER OF:

**SOUTHWEST CREDIT SYSTEMS, LP
NMLS # 948398**

(“SWC”)

*
*
*
*
*
*
*

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, SWC is a Texas limited partnership with an office located at 4120 International Parkway, Suite 1100, Carrollton, Texas;

WHEREAS, SWC has been licensed to act as a consumer collection agency in Connecticut from its main office since November 24, 2003;

WHEREAS, during a multi-state examination, on February 4, 2019, the Commissioner, through the Consumer Credit Division of the Department of Banking, commenced a joint exam with four other states into the activities of SWC, pursuant to Section 36a-17 of the Connecticut General Statutes, which revealed that SWC maintained an unlicensed location at 4444 Corona Drive, Suite 201, Corpus Christi, Texas (“Branch Office”), from August 17, 2017 through January 28, 2019, from which it conducted consumer collection activity;

WHEREAS, SWC reported that it inadvertently collected or attempted to collect from at least 105 Connecticut consumer debtor accounts from the unlicensed location during such time period;

WHEREAS, as a result of such investigation, the Commissioner alleges that SWC acted as a consumer collection agency in Connecticut from an unlicensed location between August 2017 and January 2019, in violation of Section 36a-801(a) of the Connecticut General Statutes, in effect at such time;

WHEREAS, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against SWC, including, without limitation, proceedings to issue a cease and desist order pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and an order imposing a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation 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 provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, both the Commissioner and SWC acknowledge the possible consequences of formal administrative proceedings, and SWC voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

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

WHEREAS, SWC represents to that it is no longer acting as a consumer collection agency in this state from any unlicensed location;

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

WHEREAS, SWC 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, SWC 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 SANCTIONS

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

1. No later than the date this Consent Order is executed by SWC, 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 Ten Thousand Dollars (\$10,000) as a civil penalty;
2. No later than the date this Consent Order is executed by SWC, 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 Eight Hundred Dollars (\$800) for back licensing fees; and
3. SWC shall cease and desist from acting as a consumer collection agency in this state from any unlicensed location, in violation of Section 36a-801(a) of the Connecticut General Statutes.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions 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 SWC 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 Panatte 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 SWC and reflected herein is subsequently discovered to be untrue;
3. SWC 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 SWC and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of SWC to apply for or obtain licenses or renewal licenses under Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, provided that all applicable legal requirements for any such license are satisfied and the terms of this Consent Order are being followed;
5. This Consent Order shall be binding upon SWC and its successor and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 9th day of July 2020.

/s/ _____
Jorge L. Perez
Banking Commissioner

I, Jeff Hurt, state on behalf of Southwest Credit Systems, LP, 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 Southwest Credit Systems, LP; that Southwest Credit Systems, LP, agrees freely and without threat or coercion of any kind to comply with the sanctions entered herein; and that Southwest Credit Systems, LP, 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: Jeff Hurt
Title: CEO
Southwest Credit Systems, LP

State of: Texas

County of: Denton

On this the 30th day of June 2020, before me, Juliet M. Robison, the undersigned officer, personally appeared Jeff A. Hurt, who acknowledged himself/herself to be the CEO of Southwest Credit Systems, LP, a limited partnership, and that he/she as such CEO, 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 CEO.

In witness whereof I hereunto set my hand.

/s/_____

Notary Public – Juliet M. Robison
Date Commission Expires: September 19, 2020