
 *
IN THE MATTER OF: *
 *
CREDIT PROTECTION *
ASSOCIATION, L.P. *
d/b/a CREDIT PROTECTION *
ASSOCIATION, LIMITED *
PARTNERSHIP *
NMLS # 933191 *
 *
 (“CPA”) *
 *

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, CPA is a Texas limited partnership that has been licensed to act as a consumer collection agency in Connecticut since May 1, 1999;

WHEREAS, Nathan Levine, NMLS # 958986 (“Levine”), is the Chief Executive Officer of CPA;

WHEREAS, on January 30, 2017, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, along with the states of Idaho, Maine and Wisconsin, commenced a joint examination of CPA, pursuant to the authority granted by Section 36a-17(a) 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 (“2017 Examination”);

WHEREAS, as a result of the 2017 Examination, on November 14, 2019, the Commissioner issued a Notice of Intent to Revoke Consumer Collection Agency Licenses, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing against CPA (collectively, “Notice”);

WHEREAS, the Notice alleged that CPA: (1) failed to adequately reconcile its collection trust accounts, in violation of Section 36a-811 of the Connecticut General Statutes, in effect at such time; (2) failed to remit money collected which was not in dispute to clients and escheat unclaimed property in a timely manner, in violation of Section 36a-805(a)(9) of the Connecticut General Statutes, in effect at such time; (3) failed to maintain a contract or other evidence of an agreement substantiating such debt and charged a Connecticut debtor a collection fee in excess of 15% of the amount collected, in violation of Section 36a-805(a)(12) of the Connecticut General Statutes, in effect at such time; (4) charged consumers convenience fees for certain methods of payment, in violation of Section 36a-805(a)(12) of the Connecticut General Statutes, in effect at such time; (5) failed to update its most recent application filed on the Nationwide Multistate Licensing System and Registry (“NMLS”), in violation of Section 36a-801(e) of the Connecticut General Statutes, in effect at such time; (6) made statements to the Commissioner in response to the Department’s examination findings that were, at the time and in the light of the circumstances under which they were made, false or misleading in a material respect, in violation of Section 36a-53a of the Connecticut General Statutes; and (7) failed to provide the Department with thirty (30) calendar days advance notice of a change in location and provide a bond rider, endorsement or addendum to the bond, in violation of Section 36a-801(i) of the Connecticut General Statutes;

WHEREAS, the Notice also alleged that CPA’s conduct renders the Commissioner unable to determine that the financial responsibility, character, reputation, integrity and general fitness of CPA are such as to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes;

WHEREAS, the Commissioner asserts that the allegations made in the Notice constitute sufficient grounds for the Commissioner to revoke CPA's consumer collection agency license in Connecticut pursuant to Section 36a-804(a) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms a basis to issue an order to cease and desist against CPA pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty upon CPA pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation;

WHEREAS, on November 15, 2019, the Notice was e-mailed to the individuals designated as the primary contacts in the contact employee fields of CPA's account on NMLS;

WHEREAS, on November 25, 2019, the Division received an Appearance and Request for Hearing from counsel on behalf of CPA, and the hearing is currently scheduled for January 13, 2021;

WHEREAS, on May 27, 2020, the Commissioner received notice from the Travelers Casualty and Surety Company of America that surety bond number 106843628 issued on behalf of CPA with respect to its consumer collection agency license for its main office would be cancelled effective June 23, 2020;

WHEREAS, on November 13, 2020, the Commissioner issued a Notice of Automatic Suspension, Amended and Restated Notice of Intent to Revoke Consumer Collection Agency Licenses, Amended and Restated Notice of Intent to Issue Order to Cease and Desist, Amended and Restated Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing against CPA (collectively, "Amended Notice");

WHEREAS, the Amended Notice restated all the allegations in the Notice and added an allegation that CPA failed to maintain a surety bond that runs concurrently with the period of its consumer collection agency licenses, which resulted in the automatic suspension of its license effective June 23, 2020;

WHEREAS, CPA represents that, effective June 23, 2020, it has ceased acting, directly or indirectly, as a consumer collection agency in Connecticut;

WHEREAS, after the automatic suspension of its licenses, CPA submitted a request to surrender its consumer collection agency licenses in Connecticut on NMLS;

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, CPA and Levine each having had the opportunity to discuss the terms of this Consent Order with counsel, voluntarily agree to consent to the entry of the sanctions imposed below, without admitting or denying the allegations contained in the Amended Notice and set forth herein, solely for the purpose of obviating the need for further formal administrative proceedings concerning the allegations contained in the Amended Notice and set forth herein;

WHEREAS, the Commissioner, CPA and Levine now desire to resolve the matters alleged in the Amended Notice and set forth herein;

WHEREAS, CPA and Levine agree that the Amended Notice may be used in construing the terms of this Consent Order;

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

WHEREAS, CPA and Levine specifically assure the Commissioner that the violations alleged in the Amended Notice and set forth herein shall not occur in the future;

WHEREAS, Levine, through his execution of this Consent Order, voluntarily agrees to waive his procedural rights and waives his right to seek judicial review or otherwise challenge or contest the validity of this Consent Order;

AND WHEREAS, CPA, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a hearing as it pertains to the allegations contained in the Amended Notice and 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, CPA and Levine, through their respective execution of this Consent Order, consent 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 CPA, 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 Fifteen Thousand Dollars (\$15,000) as a civil penalty;
2. CPA shall cease and desist from: (1) failing to adequately reconcile its collection trust accounts, in violation of Section 36a-811 of the Connecticut General Statutes; (2) failing to remit money collected which was not in dispute to clients and escheat unclaimed property in a timely manner, in violation of Section 36a-805(a)(9) of the Connecticut General Statutes; (3) failing to maintain a contract or other evidence of an agreement substantiating such debt and charging a Connecticut debtor a collection fee in excess of 15% of the amount collected, in violation of Section 36a-805(a)(12) of the Connecticut General Statutes; (4) charging consumers convenience fees for certain methods of payment, in violation of Section 36a-805(a)(12) of the Connecticut General Statutes; (5) failing to update its most recent application filed on NMLS, in violation of Section 36a-801(e) of the Connecticut General Statutes; (6) making statements to the Commissioner that are, at the time and in the light of the circumstances under which they are made, false or misleading in a material respect, in violation of Section 36a-53a of the Connecticut General Statutes; and (7) failing to provide the Department with thirty (30) calendar days advance notice of a change in location and provide a bond rider, endorsement or addendum to the bond, in violation of Section 36a-801(i) of the Connecticut General Statutes;
3. CPA and any entity for which Levine acts directly or indirectly as a manager, owner, supervisor, control person or qualified individual (collectively, "Control Person") shall be **PERMANENTLY BARRED** from directly or indirectly acting as a consumer collection agency in Connecticut;
4. During the ten (10) year period commencing on the date this Consent Order is issued by the Commissioner, if CPA or any entity for which Levine acts as a Control Person engages in consumer collection activity in any state or jurisdiction, directly or indirectly, CPA and Levine consent to the immediate entry and imposition of a civil penalty in the amount of One Hundred Thousand Dollars (\$100,000). The Commissioner shall provide written notice of any such violation and the corresponding civil penalty shall be remitted by wire transfer, cashier's check, certified check or money order, made payable to "Treasurer, State of Connecticut", no later than forty-five (45) days after the Commissioner has provided CPA and Levine an opportunity to meet and confer concerning the allegation. CPA and Levine knowingly, willfully and voluntarily waive any right to an administrative notice and an opportunity for a hearing set forth in the Connecticut Uniform Administrative Procedure Act and any right to seek judicial review of such penalties. Furthermore, such penalties shall be in addition to any other remedies that the Commissioner may seek for a violation by CPA or Levine of this Consent Order or any provision of the general statutes or any regulation within the jurisdiction of the Commissioner; and
5. No later than the date this Consent Order is issued by the Commissioner, CPA shall provide evidence, satisfactory to the Commissioner, of CPA's compliance with the requirements of

Section 36a-809-16 of the Regulations concerning the termination of its consumer collection agency operations in Connecticut. Such evidence shall be provided to Carmine Costa, Director, Consumer Credit Division Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov.

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, the surrender of the license of CPA to act as a consumer collection agency in Connecticut shall become effective;
3. 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 CPA and Levine based upon the allegations contained in the Amended Notice and set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against CPA or Levine 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 CPA or Levine and reflected herein is subsequently discovered to be untrue;
4. CPA and Levine 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;
5. This Consent Order shall be binding upon Levine and CPA and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 25th day of February 2021.

/s/

Jorge L. Perez
Banking Commissioner

I, Nathan Levine, state on behalf of Credit Protection Association, L. P. d/b/a Credit Protection Association, 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 Credit Protection Association, L. P. d/b/a Credit Protection Association, Limited Partnership; that Credit Protection Association, L. P. d/b/a Credit Protection Association, Limited Partnership agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Credit Protection Association, L. P. d/b/a Credit Protection Association, 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: Nathan Levine
Title: President
Credit Protection Association, L. P. d/b/a Credit Protection Association, Limited Partnership

State of: Texas

County of: Collin

On this the 14 day of January 2021, before me, Brenda Cecena, the undersigned officer, personally appeared Nathan Levine, who acknowledged himself to be the President of Credit Protection Association, L. P. d/b/a Credit Protection Association, Limited Partnership, a limited partnership, and that he as such President, 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 Nathan Levine.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Brenda Cecena
Date Commission Expires: July 8, 2023

I, Nathan Levine, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the provisions of this Consent Order; and that I voluntarily agree to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

/s/
Nathan Levine

State of: Texas

County of: Collin

On this the 14 day of January 2021, before me, Brenda Cecena, the undersigned officer, personally appeared Nathan Levine, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Brenda Cecena
Date Commission Expires: July 8, 2023