
IN THE MATTER OF:
COMPATTIA ROCCIA MANAGEMENT
GROUP, LLC a/k/a CRMG
NMLS # 2292547

(“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, and Sections 36a-809-6 to 36a-809-17, inclusive, of the Regulations of Connecticut State Agencies.

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 (“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 the Regulations of Connecticut State Agencies 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 and Sections 36a-17(e) and 36a-805(a)(15) of the Connecticut General Statutes.

4. As a result of the Investigation, the Commissioner finds that the public welfare requires immediate action to issue a temporary order to cease and desist against Respondent from violating

Sections 36a-17(e), 36a-801(a) and 36a-805(a)(15) of the Connecticut General Statutes, pursuant to Section 36a-52(b) of the Connecticut General Statutes.

5. As a result of the Investigation, the violations alleged by the Commissioner form a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes.

6. As a result of the Investigation, the violations alleged by the Commissioner form a basis to impose a civil penalty upon Respondent pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes.

II. MATTERS ASSERTED

7. Respondent is a New York limited liability company with its principal address at 2211 Sheridan Drive, Floor 1A, Tonawanda, New York. Respondent has never been licensed to act as a consumer collection agency in Connecticut.

8. In January 2022, the Division investigated a company for possible unlicensed small loan activity. The small loan company named Respondent as a third-party vendor it used to collect on Connecticut consumer debt.

9. On February 16, 2022, the Division conducted an Investigation into Respondent's collection activities and sent a letter via electronic mail to Ms. Jenelle Graci, Primary Company Contact on Nationwide Multistate Licensing System and Registry ("NMLS"), explaining that it may be engaged in consumer collection activity for which a license is required and requested a detailed description of its Connecticut collection activity.

10. On March 21, 2022, Respondent, through its Chief Executive Officer, Dave Morgan, and Chief Compliance Officer ("CCO"), Alexander J. Cancilla, verbally explained that its activities consisted of communication with Connecticut consumers using artificial intelligence ("AI"), and more specifically through robocalls in the name of their clients. Respondent stated that an application for a Connecticut consumer collection agency license was forthcoming.

11. On May 2, 2022, Respondent submitted a written description of its AI technology and its Connecticut collection activity, including ten (10) accounts between June and December 2021.

12. On September 22, 2022, and December 19, 2022, the Division requested additional information regarding Respondent's collection activities and a timeframe for submission of its Connecticut consumer collection agency license application.

13. On or about February 8, 2023, the Division received a consumer complaint from a Connecticut debtor involving an unlicensed collection agency engaged in third-party debt collection for the entity identified as Credit Recovery Management Group LLC ("Credit Recovery"). Credit Recovery is an unlicensed consumer collection agency that was named as the current creditor on the complainant's delinquent debt. The Division was unable to confirm the ownership and control people of Respondent or Credit Recovery, however, it appeared that the two entities were related. Credit Recovery is not on NMLS, however, the address of Credit Recovery on its website is same as the address listed for Respondent on NMLS. The Division placed a call to the telephone number listed for Respondent's CCO, Alexander J. Cancilla, and discovered the outgoing voicemail message stated it was for Nicholas Graci, who represented himself to the Division as the owner and Chief Executive Officer of Credit Recovery during the Division's investigation into Credit Recovery's collection activities. Nicholas Graci is the son of Janelle Graci, who is listed as the qualifying individual for Respondent on NMLS. To date, Respondent failed to respond to the Division's requests for clarification to determine how Respondent and Credit Recovery were related.

14. In an electronic mail to the Division on June 6, 2023, Nicholas Graci identified Respondent as the client that placed twenty-six (26) Connecticut debtor accounts with Credit Recovery for collections.

15. On June 14, 2023, the Division again requested information related to Respondent's consumer collection activities, the services offered in Connecticut, and a complete list of its Connecticut collection activities, including the accounts associated with Credit Recovery, which were not previously provided.

16. In September 2023, the Division made additional attempts to obtain the requested information, however, no response has been received, nor has Respondent submitted its application for licensure on NMLS to date.

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

17. 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, 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 against Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-804(b) 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.

18. Respondent failed to provide information requested during the Investigation or otherwise cooperate with the Commissioner, as more fully described in paragraphs 7 through 16, inclusive, in violation of Section 36a-17(e) of the Connecticut General Statutes. Such violations form the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-804(b) 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.

19. Respondent failed to establish a system for supervision and compliance under Section 36a-805(a)(15) of the Connecticut General Statutes, as more fully described in paragraphs 7 through 16, inclusive. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-804(b) 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 Respondent to cease and desist from violating Sections 36a-17(e), 36a-801(a) and 36a-805(a)(15) 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 Connecticut General Statutes, in the interests of Connecticut consumer debtors that are being prejudiced by Respondent's collecting and attempting to collect debts of Connecticut consumer debtors without a consumer collection agency license in Connecticut.

**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 a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-804(b) 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 COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG immediately **CEASE AND DESIST** from violating Sections 36a-17(e), 36a-801(a) and 36a-805(a)(15) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by COMPATTIA ROCCIA MANAGEMENT GROUP, LLC

a/k/a CRMG 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 COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG shall, not later than fourteen (14) days after receipt of this Temporary Order to Cease and Desist, 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 COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, has entered into agreements for consumer collection agency services in this state since January 1, 2022, including a copy of each creditor agreement and all payments made by such creditors to COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG; and
- (b) An itemized list of each Connecticut consumer debtor account for which COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, has collected on or attempted to collect upon, either directly or indirectly through a third party, since January 1, 2022, including (1) the name, address and telephone number of each consumer debtor, (2) the date of placement with COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, the creditor name and last attempt of contact, and (3) full itemization of each consumer debtor's payments made since January 1, 2022, specifying the dates, amounts and to whom such payments were made, including any fees paid to COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, or any third party collection agency.

NOW THEREFORE, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating Sections 36a-17(e), 36a-801(a) and 36a-805(a)(15) 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 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 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 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”.

If a hearing is requested, it will be held in person at the Department’s offices. 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. At the discretion of the Hearing Officer, for good cause shown, the Hearing Officer may approve requests for remote participation in the hearing by a Respondent, witness, or attorney. If such requests are approved by the Hearing Officer, such remote participation will be conducted via videoconference. If a hearing is requested, the hearing will be held on June 26, 2024, 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. Remote participation in a hearing will be held in accordance with Section 1-225a of the Connecticut General Statutes, 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 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 Sections 36a-17(e), 36a-801(a) and 36a-805(a)(15)

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 April 2024.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 30 day of April 2024, 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 was sent by certified mail, return receipt requested, to COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, Attention: Jenelle Graci, Member, 2211 Sheridan Drive, FL 1A, Tonawanda, New York 14223, Certified Mail No. 9589071052701542922413; and COMPATTIA ROCCIA MANAGEMENT GROUP, LLC a/k/a CRMG, Attention: Jenelle Graci, Member, 2410 N. Forest Road, Suite 303, Getzville, New York 14068, Certified Mail No. 9589071052701542922420

/s/

Swarupa Madhavan
Paralegal