
IN THE MATTER OF:
NELSON CRUZ & ASSOCIATES LLC
NMLS # 1862472
(“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), 36a-805(a)(15) and 36a-812 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), 36a-805(a)(15) and 36a-812 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 Texas limited liability company with its principal address at 9535 Forest Lane, Suite 114, Dallas, Texas. Respondent has never been licensed to act as a consumer collection agency in Connecticut.

8. On February 8, 2023, the Division received a consumer complaint regarding Respondent's attempts to collect debt from a Connecticut debtor beginning in August 2022.

9. The complainant, a Connecticut resident, stated that on August 17, 2022, Respondent made at least five telephone calls in its attempts to collect an outstanding debt. Respondent spoke to the complainant and her mother, demanding immediate payment over the telephone. The complainant requested verification of the debt which Respondent did not provide. During the call, Respondent sent the complainant a settlement letter by electronic mail with a deadline of August 23, 2022. The complainant again requested written verification of the debt before making a payment. Respondent told the complainant that the settlement offer would be withdrawn and threatened to report the complainant to credit bureaus if the complainant refused to allow Respondent access to the complainant's bank account to withdraw funds. Between August 22 and 26, 2022, Respondent made six more calls demanding the complainant's bank account information.

10. The settlement offer, provided by Respondent to the complainant, identified an unlicensed collection agency as the debt purchaser that hired Respondent for third-party collection.

11. On March 7, 2023, the Division sent Respondent a letter addressed to compliance officer, Angela Bothwell, explaining that Respondent may be engaged in consumer collection activity for which a license is required under Section 36a-801(a) of the Connecticut General Statutes, and requested a detailed description of Respondent's Connecticut collection activities.

12. On May 3, 2023, Respondent responded to the Division through electronic mail and explained that any Connecticut collection activity was caused by a software malfunction when some accounts, including the complainant's, were mistakenly removed from their "restricted status" when these accounts were transitioned from one software system to another. Respondent represented to the Division that Respondent prepared a letter for the complainant regarding the matter.

13. On June 12, 2023, the Division requested Respondent to provide more information about its collection activities. Specifically, the Division requested the name of Respondent's client associated with the complainant's account, whether any derogatory credit reports were placed on the complainant's account by Respondent, and the number of Connecticut consumer debtor accounts that were placed with Respondent as a result of the system error. In addition, the Division asked Respondent to resend the letter to the complainant, who informed the Division that she had not received it.

14. No response has been received, nor has Respondent provided the complainant with the letter, to date.

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

15. 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 14, 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.

16. Respondent failed to provide information requested during the Investigation or otherwise cooperate with the Commissioner, as more fully described in paragraphs 7 through 14, 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.

17. Respondent failed to establish a system for supervision and compliance under 36a-805(a)(15) of the Connecticut General Statutes, as more fully described in paragraphs 7 through 14, 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.

18. Respondent acted in a manner that failed to comply with 12 CFR Section 1006.14 Regulation F of the Fair Debt Collection Practices Act (“FDCP Act”), by the frequency of telephone calls Respondent made to the complainant in connection with the debt, and failed to comply with 12 CFR Section 1006.34 Regulation F of the FDCP Act, by failing to provide the complainant with validation of the debt as more fully described in paragraphs 7 through 14, inclusive, constitutes a violation of Section 36a-812 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.

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), 36a-805(a)(15) and 36a-812 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 that the interests of Connecticut consumer debtors 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 Nelson Cruz & Associates LLC immediately **CEASE AND DESIST** from violating Sections 36a-17(e), 36a-801(a), 36a-805(a)(15) and 36a-812 of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Nelson Cruz & Associates 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, Nelson Cruz & Associates LLC 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 Nelson Cruz & Associates LLC, 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 Nelson Cruz & Associates LLC; and
- (b) An itemized list of each Connecticut consumer debtor account for which Nelson Cruz & Associates LLC, 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 Nelson Cruz & Associates LLC, 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 Nelson Cruz & Associates LLC, or any third-party collection agency.
- (c) Any derogatory credit reporting Nelson Cruz & Associates LLC has placed on Connecticut consumer debtor accounts since January 1, 2022.

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), 36a-805(a)(15) and 36a-812 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 July 17, 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), 36a-805(a)(15) and

36a-812 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 13th day of May 2024.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 14th day of May 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 Nelson Cruz & Associates LLC, Attention: Angela Bothwell, Compliance Officer, 9535 Forest Lane, Suite 114, Dallas, Texas 75243 Certified Mail No. 9589071052701542922468.

/s/
Swarupa Madhavan
Paralegal