
IN THE MATTER OF:

**HEALTHCARE FINANCE DIRECT, LLC
NMLS # 2529645**

(“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. PRELIMINARY STATEMENT

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Part III of Chapter 668, Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes, “Small Loan Lending and Related Activities”, and the regulations promulgated thereunder, Sections 36a-570-1 to 36a-570-17, 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 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 subdivision (4) of Section 36a-556(a) of the Connecticut General Statutes, in effect at such time, and Section 36a-17(e) 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-556(a)(4) and 36a-17(e) 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-570(b), subdivision (1) of Section 36a-558(c) 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-570(b) and 36a-50(a) of the Connecticut General Statutes.

II. MATTERS ASSERTED

7. Respondent is a California limited liability company with a main office at 1707 Eye Street, Bakersfield, California.

8. Respondent has never been licensed as a small loan company in Connecticut, nor is Respondent otherwise exempt from licensure.

9. On December 26, 2023, a Connecticut consumer (“Complainant”) filed a complaint with the Department regarding a service issue with a healthcare provider who had declared bankruptcy and was no longer honoring the terms of the contract. The Complainant had been receiving bills from Respondent for payments related to a small loan for services with the healthcare provider. The Complainant also provided the original contract, dated July 14, 2023, which identified Respondent as the payment processor for the healthcare provider.

10. On January 23, 2024, the Department sent a certified mail to Respondent with a copy of the complaint to provide Respondent an opportunity to respond with its position regarding the complaint. On February 29, 2024, Respondent provided a written response to the Department’s request for additional information. In its response, Respondent stated that it is a servicer of a retail installment contract for a healthcare provider, however, the Division’s review of the contract determined it was not a retail installment contract pursuant to Section 36a-770 of the Connecticut General Statutes, rather constitutes a

small loan under Section 36a-555 because the unsecured loan agreement was between the Complainant, a consumer, and the healthcare provider for an amount less than \$15,000 dollars and the annual percentage rate greater than 12%. The documentation provided by the Complainant showed a new owner of the contract and not the original provider after it declared bankruptcy.

11. On April 8, 2024, the Department sent a letter (“2024 Letter”) via e-mail to Respondent’s primary contact listed on Nationwide Multistate Licensing System and Registry (“NMLS”), notifying Respondent that it may be in violation of Section 36a-556(a) of the Connecticut General Statutes, in effect at such time, and providing Respondent with an opportunity to apply for a small loan license and respond to the 2024 Letter. The 2024 Letter additionally requested that Respondent provide detailed information regarding small loan activity in Connecticut for the previous two years. The Department did not receive a response.

12. On April 26, 2024, the Department sent a copy of the 2024 Letter via certified mail, return receipt requested, to Respondent. The Department received confirmation that Respondent received the 2024 Letter via mail on May 3, 2024. Once again, the Department did not receive a response.

13. On August 28, 2024, the Department again sent a copy of the 2024 Letter, via e-mail to Respondent’s primary contact, which did not receive a response.

14. To date, Respondent has failed to respond to the Department or provide the information requested during the Investigation.

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

15. Respondent’s engaging in small loan activity by receiving payments of principal and interest in connection with small loans made to Connecticut borrowers without the required license, as more fully described in paragraph 7 through 10, inclusive, constitutes a violation of Section 36a-556(a)(4) of the Connecticut General Statutes, in effect at such time. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty upon Respondent pursuant to Sections 36a-570(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's failing to provide information requested during the Investigation, as more fully described in paragraphs 7 through 14, inclusive, constitutes a violation of Section 36a-17(e) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty upon Respondent pursuant to Sections 36a-570(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 subdivision (4) of Section 36a-556(a) of the Connecticut General Statutes and Section 36a-17(e) 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 residents are being materially prejudiced by Respondent continuing to provide its services while not being duly licensed as a small loan company 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 the basis to issue an order to cease and desist against Respondent pursuant to

Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes and to impose a civil penalty upon Respondent pursuant to Section 36a-570(b) and Section 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 Healthcare Finance Direct, LLC immediately **CEASE AND DESIST** from violating subdivision (4) of Section 36a-556(a) of the Connecticut General Statutes and Section 36a-17(e) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Healthcare Finance Direct, 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: Not later than fourteen (14) days from 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, Healthcare Finance Direct, LLC shall provide to Isaac Graham, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or Isaac.Graham@ct.gov, a list of all transactions conducted in Connecticut on or after January 1, 2021 that involves servicing or payment processing of accounts of Connecticut consumers: For each small loan, and/or other agreement included within the statutory definition of a small loan, consummated by a Connecticut borrower, such submission shall include: (a) a copy of each loan agreement specifying the amount, annual interest rate of the loan and/or the scheduled repayment amounts; (b) a list of each Connecticut borrower's name and address and full itemization of payments made pursuant to the loan agreement, specifying the dates and amounts of such payments and any fees received by Healthcare Finance Direct, LLC, and (c) the current and initial creditor on the accounts.

NOW THEREFORE, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating subdivision (4) of Section 36a-556(a) of the Connecticut General Statutes and Section 36a-17(e) of the Connecticut General Statutes, and impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations 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-50(a) and 36a-52(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 in person on June 4, 2025, 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 allegations herein will be deemed admitted, and the Commissioner will issue an order that Respondent cease and desist from violating subdivision (4) of Section 36a-556(a) of the Connecticut General Statutes, and Section 36a-17(e) 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.

So ordered at Hartford, Connecticut
this 10th day of April 2025.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 15th day of April 2025, 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 Healthcare Finance Direct, LLC at 1707 Eye Street, Bakersfield, California 93301, Certified Mail No. 7022 2410 0000 9598 2647

/s/

Isaac Graham
Paralegal