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**IN THE MATTER OF:** \*  
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**LEGAL FUNDING, LLC** \*  
**d/b/a CRASH ADVANCE** \*  
\*  
**(“Legal Funding”)** \*  
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**CONSENT ORDER**

**WHEREAS**, 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;

**WHEREAS**, Legal Funding is a Connecticut limited liability company with an address of 64 Thompson Street, Suite A101, East Haven, Connecticut;

**WHEREAS**, Legal Funding has never been licensed as a small loan company in Connecticut;

**WHEREAS**, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Department”) conducted an investigation pursuant to Section 36a-17(a) of the Connecticut General Statutes into the activities of Legal Funding to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes and Regulations of Connecticut State Agencies within the jurisdiction of the Commissioner (“Investigation”);

**WHEREAS**, on various dates between February 2022 and September 2022, the Department and Legal Funding communicated regarding the Department’s allegation of unlicensed small loan activity. and in which Legal Funding disagreed that Section 36a-556(a) of the Connecticut General Statutes, in effect at such time, was applicable to Legal Funding’s business activities;

**WHEREAS**, Legal Funding refused and failed to provide information requested by the Department during the Investigation alleging that Legal Funding’s activities are not covered by Section 36a-556 of the Connecticut General Statutes, in effect at such time;

**WHEREAS**, as a result of such Investigation, on September 16, 2022, the Commissioner issued a Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing (collectively, “Order and Notice”) against Legal Funding, which Order and Notice is incorporated by reference herein;

**WHEREAS**, the Commissioner alleged in the Order and Notice that: (1) Legal Funding’s making at least two small loans for a Connecticut borrower without the required license, in violation of Section 36a-556(a)(1) of the Connecticut General Statutes, in effect at such time; (2) Legal Funding’s enforcement and collection of monies in connection with at least two small loans against a Connecticut borrower without the required license, in violation of Section 36a-558(c)(1) of the Connecticut General Statutes, in effect at such time; and (3) Legal Funding’s failure to provide information requested during the Investigation, in violation of Section 36a-17(e) of the Connecticut General Statutes, in effect at such time;

**WHEREAS**, the Commissioner asserted that the violations alleged in the Order and Notice formed the basis to issue an order to make restitution against Legal Funding pursuant to Sections 36a-570(b) and 36a-50(c) of the Connecticut General Statutes, issue an order to cease and desist against Legal Funding pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty upon Legal Funding pursuant to Sections 36a-570(b) and 36a-50(a) of the Connecticut General Statutes;

**WHEREAS**, on September 16, 2022, the Order and Notice was sent by certified mail, return receipt requested, to Legal Funding;

**WHEREAS**, on September 28, 2022, Legal Funding filed an appearance and requested a hearing;

**WHEREAS**, a hearing was conducted on April 26, 2023, and the Department and Legal Funding each filed post-hearing briefs on May 9, 2023;

**WHEREAS**, on August 8, 2023, the Commissioner issued a Findings of Fact, Conclusions of Law and Order (“Final Order”), which is hereby incorporated by reference, and found that: (1) Legal Funding by offering and making monetary advances to Connecticut borrowers, Legal Funding engaged in small loan activities without having first obtained a small loan company license, in violation of Section 36a-556(a)(1) of the Connecticut General Statutes, in effect at such time; (2) Legal Funding by attempting to collect and collecting on principal, interest, charge or other consideration on small loans violated Section 36a-558(c)(1) of the Connecticut General Statutes, in effect at such time; and (3) Legal Funding by failing to provide information requested during the Investigation violated Section 36a-17(e) of the Connecticut General Statutes, in effect at such time;

**WHEREAS**, the Commissioner ordered in the Final Order that: (1) Legal Funding cease and desist from violating Sections 36a-556(a)(1), 36a-558(c)(1) and 36a-17(e) of the Connecticut General Statutes; (2) Legal Funding produce to the Department a list of all Connecticut residents who applied for a small loan or any advanced funding agreement or entered into any advanced funding agreement with Legal Funding in which the interest paid on the agreement is at a rate in excess of 12%; (3) Legal Funding make restitution of any sums obtained as a result of violating Section 36a-556(a)(1) of the Connecticut General Statutes, plus interest at the legal rate set forth in Section 37-1 of the Connecticut General Statutes; and (4) Legal Funding pay a civil penalty of Twenty-Five Thousand Dollars (\$25,000);

**WHEREAS**, on September 21, 2023, Legal Funding filed an administrative appeal (No. HHB-CV23-6081708-S) before the Superior Court, Judicial District of New Britain (“Superior Court”) challenging the Final Order;

**WHEREAS**, on November 12, 2024, Superior Court dismissed the administrative appeal;

**WHEREAS**, on December 2, 2024, Legal Funding filed an appeal (No. AC 48244) to the Appellate Court of the State of Connecticut challenging the Superior Court’s decision, which appeal is pending;

**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**, the Commissioner and Legal Funding acknowledge the possible consequences of further legal proceedings, and Legal Funding voluntarily agrees to consent to the entry of the sanctions imposed below and solely for the purpose of obviating the need for further legal proceedings concerning the allegations in the Order and Notice and set forth herein;

**WHEREAS**, the Commissioner and Legal Funding now desire to resolve the violations described in the Order and Notice and set forth herein;

**WHEREAS**, Legal Funding represents that as of September 16, 2022, it has ceased small loan activity in Connecticut;

**WHEREAS**, Legal Funding represents that it currently has no employees, limited assets, has permanently ceased any small loan activity in Connecticut, has written off any remaining balances of its outstanding small loan advances, and will not accept any further payments in connection with any outstanding small loan advances;

**WHEREAS**, Legal Funding specifically assures the Commissioner that the violations described in the Order and Notice and set forth herein shall not occur in the future;

**WHEREAS**, Legal Funding agrees that the Order and Notice may be used in construing the terms of this Consent Order and agrees to the language of this Consent Order;

**WHEREAS**, Legal Funding 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;

**WHEREAS**, Legal Funding acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

**AND WHEREAS**, Legal Funding, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to notice and an opportunity for a hearing as it pertains to the violations in the Order and 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**, Legal Funding, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Legal Funding shall cease and desist from: (1) making small loans to Connecticut borrowers, and receiving payments of principal and interest in connection with small loans made to Connecticut borrowers, without having first obtained a small loan license, in violation of Sections 36a-556(a) and 36a-558(c)(1) of the Connecticut General Statutes; and (2) not making records available to the Commissioner or otherwise cooperating with the Commissioner during investigations, in violation of Section 36a-17(e) of the Connecticut General Statutes;
2. No later than the date this Consent Order is executed by Legal Funding, it shall create and maintain a fund to be held in a non-interest bearing trust account of Legal Funding's attorney in the amount of Fifty Thousand Dollars (\$50,000) for the purpose of repayments to any Connecticut borrowers that entered into any advanced funding agreement with Legal Funding and paid sums on the same. Said fund shall remain funded for a period of six (6) months from the issuance of this Consent Order and shall expire on March 23, 2026. Legal Funding agrees that any Connecticut borrower that comes forward within that time shall be entitled to restitution of any amounts paid by any Connecticut borrower to Legal Funding in connection with an agreement between the parties in any amounts paid in excess of what would have been payable at 12% interest. It is Legal Funding's responsibility to make the calculation of what was paid under the agreement, what should have been paid at 12% interest and then make the refund payment in the difference directly to the Connecticut borrower. A Connecticut borrower shall provide Legal Funding with documentary evidence of the underlying agreement and payments made to show eligibility for restitution. In the event that a Connecticut borrower cannot provide such documentation, but nonetheless makes a claim for restitution, Legal Funding agrees to utilize its records to verify that eligibility. Consumer restitution shall be made pursuant to the above calculation on a first-come, first-serve basis. Legal Funding agrees that, upon the expiration of the six (6) months, the fund shall revert to a civil penalty payable to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order payable to "Treasurer, State of Connecticut. Notice of payments shall be sent to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103 1800, or swarupa.madhavan@ct.gov; and
3. No later than ten (10) days this Consent Order is executed by Legal Funding, it shall withdraw its appeal (No. AC 48244) before the Appellate Court.

## CONSENT ORDER

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. The Final Order issued on August 8, 2023, is hereby VACATED and superseded by this Consent Order;
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 Legal Funding based upon the allegations contained in the Order and 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 Legal Funding 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 Legal Funding and reflected herein is subsequently discovered to be untrue;
4. Legal Funding shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum 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. Except as specifically provided herein, Legal Funding shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects Legal Funding's (i) testimonial obligations; or (ii) right to take any legal or factual position that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
5. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Legal Funding and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Legal Funding to apply for or obtain an initial license or renewal licenses under Part III of Chapter 668, Sections 36a-555 *et seq.*, 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;
6. This Consent Order shall be binding upon Legal Funding and its successors and assigns; and
7. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
this 24th day of September, 2025.

/s/  
Jorge L. Perez  
Banking Commissioner

I, Benedict Frosceno, state on behalf of Legal Funding, LLC d/b/a Crash Advance 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 Legal Funding, LLC d/b/a Crash Advance; that Legal Funding, LLC d/b/a Crash Advance agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Legal Funding, LLC d/b/a Crash Advance 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: Benedict Frosceno  
Title:  
Legal Funding, LLC d/b/a Crash Advance

State of: CT

County of: New Haven

On this the 12th day of September, 2025, before me, Joseph Fournier, the undersigned officer, personally appeared Benedict Frosceno, who acknowledged himself/herself to be the President; Member of Legal Funding, LLC d/b/a Crash Advance, a member managed/manager managed limited liability company, and that he/she as such President; Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as President; Member.

In witness whereof I hereunto set my hand.

/s/  
Commissioner of the Court  
Joseph Fournier  
CT Juris # 431081