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**IN THE MATTER OF:** \*  
 \*  
**LOCKHART, MORRIS &** \*  
**MONTGOMERY, INC.** \*  
**d/b/a LOCKHART, MORRIS &** \*  
**MONTGOMERY** \*  
**NMLS # 1191130** \*  
 \*  
 (“LM&M”) \*  
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**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**, LM&M is a Texas corporation with an office located at 1401 N Central Expy Suite 225, Richardson, Texas;

**WHEREAS**, LM&M has never been licensed to act as a consumer collection agency in Connecticut;

**WHEREAS**, on June 18, 2021, LM&M filed an application with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”) to act as a consumer collection agency in Connecticut, which application is currently pending;

**WHEREAS**, the Commissioner, through the Consumer Credit Division of the Department of Banking, conducted an examination pursuant to Section 36a-17 of the Connecticut General Statutes, in effect at such time, into the activities of LM&M 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;

**WHEREAS**, as a result of such examination, the Commissioner alleges that since 2019, LM&M acted as a consumer collection agency in Connecticut without a consumer collection agency license, in violation of Section 36a-801(a) of the Connecticut General Statutes in effect at such time;

**WHEREAS**, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against LM&M, including, without limitation, proceedings to issue a cease and desist order pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, and an order imposing a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes;

**WHEREAS**, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

**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 LM&M acknowledge the possible consequences of formal administrative proceedings, and LM&M voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

**WHEREAS**, the Commissioner and LM&M now desire to resolve the matters set forth herein;

**WHEREAS**, LM&M represents that it is no longer acting as a consumer collection agency in this state without a license;

**WHEREAS**, LM&M specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

**WHEREAS**, LM&M acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

**AND WHEREAS**, LM&M, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation 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**, LM&M, through its execution of this Consent Order, consents 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 LM&M, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as a civil penalty;
2. No later than the date this Consent Order is executed by LM&M, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Eight Hundred Dollars (\$800) for back licensing fees; and
3. LM&M shall cease and desist from acting as a consumer collection agency in this state without a license, in violation of Section 36a-801(a) of the 2022 Supplement to the General Statutes.

### **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, this matter will be resolved and the Commissioner will not take any future enforcement action against LM&M based upon the allegation set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against LM&M 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 LM&M and reflected herein is subsequently discovered to be untrue;
3. LM&M 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;

4. Except as specifically provided herein, Respondent 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 Respondent'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 LM&M and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of LM&M to apply for or obtain licenses or renewal licenses under Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, 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 LM&M and its successor and assigns; and
7. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
this 24th day of June 2022.

/s/  
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Jorge L. Perez  
Banking Commissioner

I, John Hickman Sr., state on behalf of LOCKHART, MORRIS & MONTGOMERY, INC. d/b/a Lockhart, Morris & Montgomery 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 LOCKHART, MORRIS & MONTGOMERY, INC. d/b/a Lockhart, Morris & Montgomery; that LOCKHART, MORRIS & MONTGOMERY, INC. d/b/a Lockhart, Morris & Montgomery agrees freely and without threat or coercion of any kind to comply with the sanctions entered herein; and that LOCKHART, MORRIS & MONTGOMERY, INC. d/b/a Lockhart, Morris & Montgomery 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: John Hickman  
Title: Authorized Representative  
LOCKHART, MORRIS & MONTGOMERY, INC.  
d/b/a Lockhart, Morris & Montgomery

State of: Texas

County of: Dallas

On this the 22nd day of June 2022, before me, Ronald Martin, the undersigned officer, personally appeared John Hickman, who acknowledged himself/herself to be the Authorized Representative of LOCKHART, MORRIS & MONTGOMERY, INC. d/b/a Lockhart, Morris & Montgomery, and that he/she as such Authorized Representative, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as John Hickman.

In witness whereof I hereunto set my hand.

/s/  
Notary Public – Ronald Martin  
My Commission Expires: August 22, 2025