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IN THE MATTER OF: *
 *
MERCANTILE CT, LLC *
d/b/a MERCANTILE ADJUSTMENT *
BUREAU *
(“Mercantile CT”) *
NMLS # 1731286 *
 *
MERCANTILE ADJUSTMENT *
BUREAU, LLC *
(“MAB”) *
NMLS # 962209 *
 *
(collectively, “Respondents”) *
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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, Mercantile CT is a New York limited liability company with an office at 165 Lawrence Bell Drive, Suite 100, Williamsville, New York, which became licensed to act as a consumer collection agency in Connecticut on November 8, 2018;

WHEREAS, MAB is a New York limited liability company with an office also at 165 Lawrence Bell Drive, Suite 100, Williamsville, New York, which had been a licensed consumer collection agency in Connecticut from August 21, 2002, until its license expired on January 1, 2019, after representing to the Consumer Credit Division (“Division”) of the Department of Banking that as of November 8, 2018, it

would cease consumer collection activities in Connecticut and that all future consumer collection activity in Connecticut would be done by Mercantile CT;

WHEREAS, the Commissioner, through the Division, conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes in effect at such time into the activities of Respondents to determine if they had violated, were violating or were about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner;

WHEREAS, as a result of such investigation, on December 2, 2021, the Commissioner issued a Temporary Order to Cease and Desist, Notice of Intent to Revoke and Refuse to Renew Consumer Collection Agency License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing against Respondents (“Order and Notice”), which Order and Notice is incorporated by reference herein;

WHEREAS, the Commissioner alleged in the Order and Notice that Mercantile CT engaged the services of an unlicensed collection agency, in violation of Section 36a-806(b) of the Connecticut General Statutes in effect at such time; failed to deposit funds collected or received from Connecticut consumers in a trust account, in violation of Section 36a-811(b) of the Connecticut General Statutes in effect at such time; failed to maintain the minimum tangible net worth of fifty thousand dollars (\$50,000), as required under Section 36a-801(b) of the Connecticut General Statutes; failed to notify the Commissioner of the decrease in its tangible net worth from the minimum amount required pursuant to Section 36a-801(b) of the Connecticut General Statutes not later than the requisite 15 days of its occurrence, in violation of Section 36a-801(f)(3)(F) of the Connecticut General Statutes in effect at such time; made a statement in a document filed with the Commissioner which was, at the time and in the light of circumstances under which it was made, false or misleading in a material respect, in violation of Section 36a-53a of the Connecticut General Statutes in effect at such time; and conducted its business in a way which renders the Commissioner unable to determine that the financial responsibility, character and integrity of Mercantile CT are such to warrant belief that the business will be operated soundly and efficiently, in the public

interest and consistent with the purposes of Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, as required pursuant to Section 36a-801(c)(2) of the Connecticut General Statutes;

WHEREAS, the Commissioner alleged in the Order and Notice that MAB acted within this state as a consumer collection agency 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 asserted that the allegations made in the Order and Notice against Mercantile CT constituted sufficient grounds to revoke or refuse to renew its consumer collection agency license pursuant to Sections 36a-804(a) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and formed the basis to issue an order to cease and desist pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner asserts that the allegations made in the Order and Notice against MAB formed the basis to issue an order to cease and desist pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty pursuant to Section 36a-804(b) of the Connecticut General Statutes and Section 36a-50(a) of the Connecticut General Statutes;

WHEREAS, on December 3, 2021, the Order and Notice was e-mailed to the individual designated as the primary contact in the contact employee fields of Mercantile CT's account on the Nationwide Multistate Licensing System and Registry ("NMLS"), and mailed by certified mail, return receipt requested, to Mercantile CT (Certified Mail No. 70202450000070267226) and to MAB (Certified Mail No. 70202450000070267233);

WHEREAS, on December 7, 2021, Respondents filed an Appearance and requested a hearing, which is currently 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, Respondents specifically represent to the Commissioner that, at all times relevant to the allegations made in the Order and Notice, any payment made by a Connecticut consumer was credited to the consumer's account in full, and that Respondents did not charge any collection fees to the consumer;

WHEREAS, Respondents voluntarily agree to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for further formal administrative proceedings concerning the allegations contained in the Order and Notice and set forth herein;

WHEREAS, the Commissioner and Respondents now desire to resolve the matters contained in the Order and Notice and set forth herein;

WHEREAS, Respondents specifically assure the Commissioner that the violations alleged herein shall not occur in the future;

WHEREAS, Respondents agree that the Order and Notice may be used in construing the terms of this Consent Order and agree to the language of this Consent Order;

WHEREAS, Respondent acknowledge that Respondents have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and execute this Consent Order freely;

WHEREAS, Respondents acknowledge that this Consent Order is a public record and is a reportable event for the purposes of the regulatory disclosure questions on NMLS, as applicable;

AND WHEREAS, Respondents, through their execution of this Consent Order, voluntarily agree to waive their procedural rights, including an opportunity for a hearing as it pertains to the allegations set forth herein, and voluntarily waive their right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondents, through their execution of this Consent Order, consent 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 Mercantile CT and MAB, they, jointly and severally, 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 Thirty Thousand Dollars (\$30,000) as a civil penalty;
2. MAB shall cease and desist from acting as a consumer collection agency in Connecticut without a license, in violation of Section 36a-801(a) of the Connecticut General Statutes, and shall not advertise or solicit consumer collection services in Connecticut through its website or any other means;
3. No later than the date this Consent Order is executed by Mercantile CT, it shall submit a request on NMLS to surrender its consumer collection agency license in Connecticut and comply with any and all requirements to complete such surrender within thirty days of the surrender request, including compliance with Section 36a-809-16 of the Regulations of Connecticut State Agencies. In the event that Mercantile CT fails to provide the Commissioner with satisfactory evidence, as determined by the Commissioner of compliance with such requirements within forty (40) days of its surrender request, Mercantile CT's consumer collection agency license in Connecticut shall be **SUMMARILY REVOKED**, without any further notice or opportunity for a hearing. Mercantile CT knowingly, and voluntarily waives its procedural rights in connection with any such revocation, including an opportunity for a hearing and any right to seek judicial review.
4. For a period of three (3) years commencing on the date that the license of Mercantile CT is either revoked or surrendered in accordance with paragraph 3, Mercantile CT shall be **BARRED** from acting directly as a consumer collection agency in Connecticut, or acting indirectly in such capacity through a third-party entity, or being involved, directly or indirectly, in the collection of any consumer debt in Connecticut, provided that Mercantile CT may petition the Commissioner in writing for its license application to be considered before the expiration of the three year period in the event that it can adequately demonstrate compliance with the requirements set forth in paragraph 5;
5. In the event that Mercantile CT applies for licensure as a consumer collection agency in Connecticut, the issuance of any such license shall be in the sole discretion of the Commissioner. In addition to the requirements set forth in Part XII of Chapter 669, any application for consumer collection agency licensure shall include evidence, satisfactory to the Commissioner, that such consumer collection agency has implemented an effective system of supervision and control to achieve compliance with all applicable consumer collection laws and regulations, and has adequately remedied all prior violations alleged by the Commissioner to prevent recurrence in the future;
6. In the event that MAB applies to the Commissioner for licensure as a consumer collection agency in Connecticut, the issuance of any such license shall be in the sole discretion of the Commissioner. In addition to the requirements set forth in Part XII of Chapter 669, any application for consumer collection agency licensure submitted by MAB shall include evidence,

satisfactory to the Commissioner, that it has implemented an effective system of supervision and control to achieve compliance with all applicable consumer collection laws and regulations, and has adequately remedied all prior violations alleged by the Commissioner to prevent recurrence in the future.

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 Respondents based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Respondents 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 Respondents and reflected herein is subsequently discovered to be untrue;
3. Respondents 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, Respondents 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 Respondents' (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. This Consent Order shall be binding upon Respondents and their successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 29th day of June 2023.

/s/

Jorge L. Perez
Banking Commissioner

I, Bruce Gray, state on behalf of Mercantile CT, LLC d/b/a Mercantile Adjustment Bureau 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 Mercantile CT, LLC d/b/a Mercantile Adjustment Bureau and that Mercantile CT, LLC d/b/a Mercantile Adjustment Bureau agrees freely and without threat or coercion of any kind to comply with the sanctions entered herein; and that Mercantile CT, LLC d/b/a Mercantile Adjustment Bureau 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: Bruce Gray
Title: President/CEO Mercantile Adjustment Bureau, LLC
Mercantile CT, LLC
d/b/a Mercantile Adjustment Bureau

State of: New York

County of: Erie

On this the 26 day of June 2023, before me, Daniel Friscaro, the undersigned officer, personally appeared Bruce Gray, who acknowledged himself/herself to be the President/CEO of Mercantile CT, LLC d/b/a Mercantile Adjustment Bureau a limited liability company, and that he/she as such President/CEO, 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/CEO.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: April 28, 2027

I, Bruce Gray, state on behalf of Mercantile Adjustment Bureau, LLC 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 Mercantile Adjustment Bureau, LLC and that Mercantile Adjustment Bureau, LLC agrees freely and without threat or coercion of any kind to comply with the sanctions entered herein; and that Mercantile Adjustment Bureau, LLC 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: Bruce Gray
Title: President/CEO
Mercantile Adjustment Bureau, LLC

State of: New York

County of: Erie

On this the 26 day of June 2023, before me, Daniel Frisicaro, the undersigned officer, personally appeared Bruce Gray, who acknowledged himself/herself to be the President/CEO of Mercantile Adjustment Bureau, LLC, a limited liability company, and that he/she as such President/CEO, 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/CEO.

In witness whereof I hereunto set my hand.

/s/ _____
Notary Public
Date Commission Expires: April 28, 2027