

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 BORYANA ARSOVA
Assistant Chief Counsel
4 SALLY HONG (State Bar No. 317754)
Counsel
5
6 Department of Financial Protection and Innovation
One Sansome Street, Suite 600
7 San Francisco, California 94014
Telephone: (415) 740-8127
8
9 Attorneys for Complainant

10
11 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
12 OF THE STATE OF CALIFORNIA

13
14 In the Matter of:)
)
15 THE COMMISSIONER OF FINANCIAL) DESIST AND REFRAIN ORDER and
PROTECTION AND INNOVATION,) ORDER ASSESSING PENALTIES
16)
17 Complainant,)
18 v.)
)
19 CENTENNIAL SERVICES,) (Cal. Fin. Code § 90015 (b), (c), (d)(1))
)
20 Respondent.)
)
21)
22)
23)

24
25
26 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner)
27 of the Department of Financial Protection and Innovation (Department), is informed and believes,
28 and based on such information and belief, finds the following:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I.

Introduction

1. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of debt collection in California under the Debt Collection Licensing Act (DCLA) (Cal. Fin. Code §§ 100000-100025).

2. The Commissioner has jurisdiction over the regulation of persons who engage, have engaged, and propose to engage in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code §§ 90000-90019).

3. At all relevant times, Centennial Services was a business entity of unknown form, with a purported mailing address at P.O. Box 5880, Chandler, Arizona 85225 and a phone number at (855) 430-7321.

II.

Factual Background

4. Beginning in or around January 21, 2022, Centennial Services contacted at least one California consumer and made unlawful and deceptive statements in an attempt to collect a consumer debt related to a payday loan.

5. On January 21, 2022, at 6:12 AM, a California resident (Consumer) received a call from a representative of Centennial Services, who informed the Consumer that she had an outstanding City Cash Loans payday loan debt that she needed to pay immediately.

6. When the Consumer demanded to speak with a manager, Jason Lawrence with Centennial Services informed the Consumer that she would need to resolve her debt immediately. Centennial Services then sent the Consumer a DocuSign link that led to an agreement to make payments. The Consumer was informed that she would need to make an initial payment of \$125 and monthly payments of \$225.

7. The agreement available on the DocuSign link stated that “[t]his is an attempt to collect a debt, and any information obtained will be used for that purpose” and listed the original

1 creditor as “CITYCASHLOANS,” but did not include the original amount of the debt owed or the
2 charge-off date.

3 8. The Consumer, concerned, immediately made an initial payment of \$125 using her
4 credit card. Upon sending her payment, the Consumer received a letter with the statement that her
5 payment satisfied her account as settled in full.

6 9. On February 1, 2022, the Consumer made another payment of \$225 to Centennial
7 Services with her credit card, per her original conversation with Centennial Services. Upon sending
8 this second payment, the Consumer received another letter with the statement that her payment
9 satisfied her account as settled in full.

10 10. The Commissioner finds that the debt collection activities by Centennial Services
11 violated provisions of the Rosenthal Fair Debt Collection Practices Act (Rosenthal Act) (Cal. Civ.
12 Code §§ 1788-1788.33), which prohibits the following:

13 a. In collecting or attempting to collect a consumer debt, failing to comply with
14 provisions of sections 1692 to 1692p of the Fair Debt Collection Practices Act (FDCPA) (15 U.S.C.
15 §§ 1692 – 1692p), in violation of California Civil Code section 1788.17.

16 11. The debt collection practices by Centennial Services violated provisions of the
17 FDCPA, including but not limited to the following:

18 a. Contacting the consumer before 8 AM, in violation of title 15 of the United
19 States Code section 1692(c)(a)(1); and,

20 b. Using false, deceptive or misleading representation or means in connection
21 with the collection of any debt, in violation of title 15 of the United States Code section 1692e(10).

22 Failure to Submit License Application in Violation of the DCLA

23 12. The DCLA, which became effective on January 1, 2021, requires persons engaged in
24 the business of debt collection in California to be licensed beginning on January 1, 2022, pursuant to
25 California Financial Code section 100001(a).

26 13. The Commissioner has not issued a license to Centennial Services, authorizing it to
27 engage in the business of debt collection under the DCLA. Furthermore, Centennial Services has
28

1 not applied for a license under the DCLA. Centennial Services is not exempt from the licensing
2 requirements of California Financial Code section 100001.

3 14. In or around January 2022, despite lacking licensure or a pending application,
4 Centennial Services engaged in the unlicensed business of debt collection in this state by attempting
5 to collect a debt from at least one California consumer, in violation of California Financial Code
6 section 100001(a), by contacting a California consumer to collect on an alleged City Cash debt.

7 **III.**

8 **Applicable Law**

9 15. California Financial Code section 100001(a) provides, in relevant part, that “[n]o
10 person shall engage in the business of debt collection in this state without first obtaining a license.”

11 16. California Financial Code section 100002(h) defines “debt” as “money, property, or
12 their equivalent that is due or owing or alleged to be due or owing from a natural person to another
13 person.”

14 17. California Financial Code section 100002(f) provides:

15 “Consumer debt” or “consumer credit” means money, property, or their
16 equivalent, due or owing, or alleged to be due or owing, from a natural
17 person by reason of a consumer credit transaction. The term “consumer
18 debt” includes a mortgage debt. The term “consumer debt” includes
19 “charged-off consumer debt” as defined in Section 1788.50 of the Civil
20 Code.

21 18. California Financial Code section 100002(i) defines “debt collection” as “any act or
22 practice in connection with the collection of consumer debt.”

23 19. California Financial Code section 100002(j) provides:

24 “Debt collector” means any person who, in the ordinary course of
25 business, regularly, on the person’s own behalf or on behalf of others,
26 engages in debt collection. The term includes any person who composes
27 and sells, or offers to compose and sell, forms, letters and other collection
28 media used or intended to be used for debt collection. The term “debt
collector” includes “debt buyer” as defined in Section 1788.50 of the Civil
Code.

29 20. California Financial Code section 90005 provides in relevant part:

(d) “Consumer financial law” means a federal or California law that
directly and specifically regulates the manner, content, or terms and

1 conditions of any financial transaction, or any account, product, or service
2 related thereto, with respect to a consumer.

3 (e) “Consumer financial product or service” means . . . :

4 (1) A financial product or service that is delivered, offered, or provided for
5 use by consumers primarily for personal, family, or household purposes . .

6 (f) “Covered person” means, to the extent not preempted by federal law,
7 any of the following: (1) Any person that engages in offering or providing
8 a consumer financial product or service to a resident of this state.

9 (k) “Financial product or service” means . . . (10) *Collecting debt* related
10 to any consumer financial product or service . . . (emphasis added.)

11 21. California Financial Code section 90003(a) provides in relevant part:

12 (a) It is unlawful for a covered person or service provider, as defined in
13 subdivision (f) of Section 90005, to do any of the following:

14 (1) Engage, have engaged, or propose to engage in any unlawful, unfair,
15 deceptive, or abusive act or practice with respect to consumer financial
16 products or services.

17 (2) Offer or provide to a consumer any financial product or service not in
18 conformity with any consumer financial law or otherwise commit any act
19 or omission in violation of a consumer financial law

20 22. The DCLA, the Rosenthal Act, and the FDCPA are consumer financial laws within
21 the meaning of California Financial Code section 90003(a)(2).

22 23. Section 1788.2(c) of the Rosenthal Act provides:

23 The term “debt collector” means any person who, in the ordinary course of
24 business, regularly, on behalf of that person or others, engages in debt
25 collection. The term includes any person who composes and sells, or
26 offers to compose and sell, forms, letters, and other collection media used
27 or intended to be used for debt collection.

28 24. Section 1788.17 of the Rosenthal Act provides in relevant part:

Notwithstanding any other provision of this title, every debt collector collecting or
attempting to collect a consumer debt shall comply with the provisions of Sections
1692b to 1692j, inclusive, of, and shall be subject to the remedies in Section 1692k
of, Title 15 of the United States Code . . .

25. Section 1692c(a)(1) of the FDCPA provides in relevant part:

1 Without the prior consent of the consumer given directly to the debt collector or the
2 express permission of a court of competent jurisdiction, a debt collector may not
3 communicate with a consumer in connection with the collection of any debt—(1) at
4 any unusual time or place or a time or place known or which should be known to be
5 inconvenient to the consumer. In the absence of knowledge of circumstances to the
6 contrary, a debt collector shall assume that the convenient time for communicating
7 with a consumer is after 8 o'clock antemeridian and before 9 o'clock postmeridian,
8 local time at the consumer's location.

6 26. Section 1692e of the FDCPA provides in relevant part:

7 A debt collector may not use any false, deceptive, or misleading
8 representation or means in connection with the collection of any debt.
9 Without limiting the general application of the foregoing, the following
10 conduct is a violation of this section: . . . (10) The use of any false
11 representation or deceptive means to collect or attempt to collect any debt
12 or to obtain information concerning a consumer.

12 27. California Financial Code section 90015(d) provides:

13 (1) If, in the opinion of the department, any person engages, has engaged,
14 or proposes to engage in any activity prohibited by Section 90003 or
15 90004, or an activity, act, practice, or course of business that violates a
16 law, rule, order, or any condition imposed in writing on the person by the
17 department, the department may issue an order directing the person to
18 desist and refrain from engaging in the activity, act, practice, or course of
19 business.

(2) If that person fails to file a written request for a hearing within 30 days
from the date of service of the order, the order shall be deemed a final
order of the commissioner.

20 28. California Financial Code section 90015(c) provides, “[a]fter notice and an
21 opportunity to be heard, the commissioner may, by order, assess penalties under subdivision (c) of
22 Section 90012.”

23 29. California Financial Code section 90012(c) provides in relevant part:

24 In any civil or administrative action brought pursuant to this division, the
25 following penalties shall apply:

26 (1) Any person that violates, through any act or omission, any provision of
27 this division shall forfeit and pay a penalty pursuant to this subdivision.

28 (A) The penalty amounts are as follows:

(i) For any violation of this division, rule or final order, or condition
imposed in writing by the department, a penalty may not exceed the

1 greater of either five thousand dollars (\$5,000) for each day during which
2 the violation or failure to pay continues, or two thousand five hundred
3 dollars (\$2,500) for each act or omission in violation

4 **IV.**

5 **Desist and Refrain Order**

6 30. Based on the foregoing findings, the Commissioner is of the opinion that Centennial
7 Services is a covered person or service provider that engaged in unlawful acts or practices with
8 respect to consumer financial products or services in violation of California Financial Code section
9 90003 (a)(1) and offered or provided to a consumer any financial product or service not in
10 conformity with any consumer financial law or otherwise committed any act or omission in violation
11 of a consumer financial law, in violation of California Financial Code section 90003(a)(2),
12 including but not limited to the following:

- 13 a. Section 100001(a) of the DCLA;
- 14 b. Section 1788.17 of the Rosenthal Act;
 - 15 i. Section 1692c(a)(1) of the FDCPA;
 - 16 ii. Section 1692e(10) of the FDCPA.

17 31. Pursuant to California Financial Code section 90015(d)(1), Centennial Services and
18 its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from
19 engaging in, or proposing to engage in, unlawful acts or practices in collecting or attempting to
20 collect any consumer debt in violation of California Financial Code section 90003(a)(2), including
21 but not limited to violating the following:

- 22 a. Section 100001(a) of the DCLA;
- 23 b. Section 1788.17 of the Rosenthal Act;
 - 24 i. Section 1692c(a)(1) of the FDCPA;
 - 25 ii. Section 1692e(10) of the FDCPA.

26 32. Furthermore, based on the foregoing findings, the Commissioner is of the opinion that
27 Centennial Services is a “covered person” or service provider that engaged in deceptive acts or
28 practices with respect to “consumer financial products or services” in violation of California
Financial Code section 90003(a)(1).

1 33. Pursuant to California Financial Code section 90015(d)(1), Centennial Services and
2 its managers, officers, directors, agents, or employees, are hereby ordered to desist and refrain from
3 engaging in, or proposing to engage in, deceptive acts or practices in collecting or attempting to
4 collect any consumer debt in violation of California Financial Code section 90003(a)(1).

5 34. This Order is necessary, in the public interest, for the protection of consumers and
6 consistent with the purposes, policies, and provisions of the California Consumer Financial
7 Protection Law. This Order shall remain in full force and effect until further order of the
8 Commissioner.

9 V.

10 **Order Assessing Penalties**

11 35. Pursuant to California Financial Code sections 90015(c) and 90012(c), and after due
12 consideration of possible mitigating factors and other appropriateness considerations per California
13 Financial Code section 90012(c)(1)(B), Centennial Services is hereby ordered to pay an
14 administrative penalty of \$12,500.00 to the Commissioner within 30 days of the date of this order.
15 The penalty shall be made payable in the form of an Automated Clearing House deposit or cashier’s
16 check payable to the Department of Financial Protection and Innovation and transmitted to the
17 attention of “Accounting – Litigation,” at the Department of Financial Protection and Innovation,
18 2101 Arena Boulevard, Sacramento, California 95814-2306. Notice of the payment must be
19 concurrently sent to the Commissioner’s Enforcement Counsel Sally Hong via e-mail at
20 Sally.Hong@dfpi.ca.gov.

21
22 Dated: October 23, 2023
23 San Francisco, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



24
25 By: _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division