



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

3300 W. Sahara Avenue, Suite 250
Las Vegas, Nevada 89102
(702) 486-4120

1755 E. Plumb Lane, Suite 243
Reno, Nevada 89502
(775) 688-1730

In Re:

Commonwealth Financial Systems, Inc.,

Respondent.

ORDER DENYING APPLICATION FOR
LICENSURE UNDER NRS CHAPTER 649
AND NAC 649; NOTICE OF
RIGHT TO APPEAL

**ORDER DENYING APPLICATION FOR
LICENSURE PURSUANT TO NRS CHAPTER 649 AND NAC 649**

The State of Nevada Department of Business and Industry, Financial Institutions Division (hereinafter "Division") hereby denies the application of Commonwealth Financial Systems, Inc., (hereinafter "Applicant").

JURISDICTION

1. The business of collecting claims for others or of soliciting the right to collect or receive payment for another of any claim in the State of Nevada is governed by NRS Chapter 649 and NAC Chapter 649.

2. The Division has primary jurisdiction for the licensing and regulation of persons operating and/or engaging in collection services. NRS 649.020; NRS 649.045; NRS 649.051 *et seq.*; NRS 649.075 *et seq.*

3. Pursuant to the authority vested by NRS Chapter 649, the Division hereby makes the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1
2 4. Applicant has been registered with the State of Nevada Secretary of State as a
3 foreign entity since October 5, 2004.

4 5. Applicant's business address is 245 Main Street, Dickson City, Pennsylvania
5 18519.

6 6. Applicant received a Cease and Desist Order on December 28, 2011, for
7 unlicensed activity discovered through a complaint filed with the Division. The Division
8 received four additional complaints after issuing the Cease and Desist Order.

9 7. On or about December 2, 2013, Applicant submitted an application for licensure.

10 8. On or about July 24, 2014, the application was considered expired and
11 abandoned due to an incomplete application package with no response from the Applicant.

12 9. On or about November 22, 2016, Applicant filed a new application with the
13 Division.

14 10. Jeffrey Kotula is the designated Qualified Manager for the Applicant.

15 11. On or about May 15, 2017, the Division received a complaint from a Nevada
16 resident with evidence of unlicensed activity being conducted by Applicant.

17 12. Through the course of its investigation, the Division discovered that Applicant
18 engaged in and/or is engaging in the business of a collection agency in the State of Nevada
19 without a license as the Division confirmed that Applicant had reported a debt on the
20 complainant's credit report without first having obtained a license.

21 13. Furthermore, the investigation revealed that within the last four years, more than
22 nineteen (19) Nevada residents filed complaints against Applicant with federal agencies.
23 Additionally, over 1,200 complaints have been filed nationwide against Applicant.

24 14. If any Finding of Fact is more properly characterized as a Conclusion of Law, it
25 shall be considered as such.

1 CONCLUSIONS OF LAW

2 15. Pursuant to NRS 649.135, the Commissioner shall approve an application for a
3 license if an "applicant has met all the [. . .] requirements of this chapter pertaining to the
4 applicant's qualifications and application."

5 16. However, pursuant to NRS 649.085, the Commissioner has the authority to
6 deny an application based upon an applicant's lack of qualifications as follows:

7 NRS 649.085 Qualifications of applicant for license.
8 Every individual applicant, every officer and director of a
9 corporate applicant, and every member of a firm or
10 partnership applicant for a license as a collection agency or
11 collection agent must submit proof satisfactory to the
12 Commissioner that he or she:

13 1. Is a citizen of the United States or lawfully entitled to
14 remain and work in the United States.

15 2. Has a good reputation for honesty, trustworthiness and
16 integrity and is competent to transact the business of a
17 collection agency in a manner which protects the interests of
18 the general public.

19 3. Has not had a collection agency license suspended or
20 revoked within the 10 years immediately preceding the date
21 of the application.

22 4. Has not been convicted of, or entered a plea of nolo
23 contendere to:

24 (a) A felony relating to the practice of collection agencies or
25 collection agents; or

26 (b) Any crime involving fraud, misrepresentation or moral
27 turpitude.

28 5. Has not made a false statement of material fact on the
application.

6. Will maintain one or more offices in this State or one or
more offices in another state for the transaction of the
business of his or her collection agency.

7. Has established a plan to ensure that his or her
collection agency will provide the services of a collection
agency adequately and efficiently.

17. The Commissioner finds that the Applicant has not met all of the requirements
of this Chapter, and the Applicant lacks qualifications pursuant to NRS 649.085

18. NRS 649.075(1) reads as follows:

1. Except as otherwise provided in this section, a person shall not
conduct within this State a collection agency or engage within this
State in the business of collecting claims for others, or of soliciting
the right to collect or receive payment for another of any claim, or
advertise, or solicit, either in print, by letter, in person or otherwise,

1 the right to collect or receive payment for another of any claim, or
2 seek to make collection or obtain payment of any claim on behalf
3 of another without having first applied for and obtained a license
4 from the Commissioner.

5 19. NRS 649.020 defines a "collection agency" as:

6 1. "Collection agency" means all persons engaging, directly or
7 indirectly, and as a primary or a secondary object, business or
8 pursuit, in the collection of or in soliciting or obtaining in any
9 manner the payment of a claim owed or due or asserted to be
10 owed or due to another.

11 20. As defined in the Federal Fair Debt Collection Practices Act ("FDCPA") § 803
12 (6), the term "debt collector" means:

13 any person who uses any instrumentality of interstate commerce or
14 the mails in any business the principal purpose of which is the
15 collection of any debts, or who regularly collects or attempts to
16 collect, directly or indirectly, debts owed or due or asserted to be
17 owed or due another. Notwithstanding the exclusion provided by
18 clause (F) of the last sentence of this paragraph, the term includes
19 any creditor who, in the process of collecting his own debts, uses
20 any name other than his own which would indicate that a third
21 person is collecting or attempting to collect such debts. For the
22 purpose of section 1692f(6) of this title, such term also includes any
23 person who uses any instrumentality of interstate commerce or the
24 mails in any business the principal purpose of which is the
25 enforcement of security interests.

26 21. As defined in FDCPA § 803 (2), the term "communication" means the *conveying*
27 *of information regarding a debt* directly or indirectly to any person *through any medium*.
28 Reporting a debt on a credit report is considered communication by a debt collector as
defined in FDCPA.

29 22. Applicant has violated NRS 649.075 by engaging in the business of a collection
30 agency in the State of Nevada without having first obtained proper licensure from the Division.

31 23. Based upon the Division's finding that Applicant conducted the business of a
32 collection agency without first obtaining a license, the nineteen (19) complaints filed by
33 Nevada residents against Applicant with federal agencies, and more than 1,200 complaints
34 filed nationwide against Applicant with federal agencies, the Applicant has failed to

1 demonstrate to the Commissioner that Applicant has a good reputation for honesty,
2 trustworthiness and integrity and did not satisfy the requirements of NRS 649.085.

3 24. Pursuant to NRS 649.155, the Commissioner shall enter into an order denying
4 the application if the Applicant does not meet the requirements of NRS 649.135.

5 25. This Order shall constitute notice of denial of Applicant's license.

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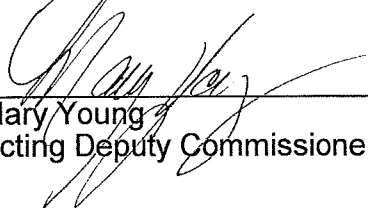
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ORDER

IT IS HEREBY ORDERED that the application of Commonwealth Financial Systems, Inc. for licensure pursuant to NRS Chapter 649 is hereby **DENIED**.

DATED this 22nd day of December 2017.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

By: 

Mary Young
Acting Deputy Commissioner

1 **APPEAL RIGHTS**

2 **RESPONDENT HAS THE RIGHT TO REQUEST A HEARING IN THIS MATTER.** If
3 you wish to request a hearing you must file a request **within thirty (30) calendar days** after
4 this Order Denying Application for Licensure was served on the Respondent.

5 Your request for a hearing must be delivered to:

6 STATE OF NEVADA
7 DEPARTMENT OF BUSINESS AND INDUSTRY
8 FINANCIAL INSTITUTIONS DIVISION
9 3300 W. Sahara Ave., Suite 250
10 Las Vegas, Nevada 89102

11 Other important rights you have are listed in Nevada Revised Statutes Chapters 649
12 and 233B and the Nevada Administrative Code Chapter 649.

13 DATED this 22nd day of December 2017.

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15 STATE OF NEVADA
16 DEPARTMENT OF BUSINESS AND INDUSTRY
17 FINANCIAL INSTITUTIONS DIVISION

18 By: 
19 Mary Young
20 Acting Deputy Commissioner
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1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of the State of Nevada, Department of Business and
3 Industry, Financial Institutions Division, and that on 27th day of December 2017, I
4 deposited in the U.S. mail, postage prepaid, via First Class Mail and Certified Return Receipt
5 Requested, a true and correct copy of the foregoing **ORDER DENYING APPLICATION FOR**
6 **LICENSE PURSUANT TO NRS CHAPTER 649 AND NAC 649; NOTICE OF RIGHT TO**
7 **APPEAL**, addressed as follows:

8
9 Commonwealth Financial Systems, Inc.
10 Attention: Jeffrey Kotula
11 245 Main Street
12 Dickson City, Pennsylvania 18519


13 Certified Mail: 7014 2870 0001 8495 1560

14 Commonwealth Financial Systems, Inc.
15 Attention: Jeffrey Kotula
16 232 Main Street
17 Dickson City, Pennsylvania 18519

18 Certified Mail: 7014 2870 0001 8495 1577

19 Commonwealth Financial Systems, Inc.
20 C/O: The Corporation Trust Company of Nevada, Resident Agent
21 701 S. Carson Street, Suite 200
22 Carson City, Nevada 89701

23 Certified Mail: 7014 2870 0001 8495 1584

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An Employee of the State of Nevada
Department of Business and Industry
Financial Institutions Division