

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2022 APR 21 AM 9:16

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :

v. :

DOCKET NO. 22 0014 (BNK-ORD)

SYNAPSE CREDIT LLC :
:

NOTICE TO ANSWER AND REQUEST A HEARING

You, Synapse Credit LLC, have the right to challenge the attached Order (“Order”) by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission (“Commission”) may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in the Order, set forth the facts you rely upon, and state concisely the law upon which you rely. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

The Answer and any other documents must be filed via first-class mail and electronic mail with the Docket Clerk:

Eileen Smith, Docket Clerk
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, Pennsylvania 17101
Email: RA-BNDOCKETCLERK@pa.gov

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a hard and electronic copy to his or her counsel indicated below:

Office of Chief Counsel
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
Email: RA-BNCHIEFCOUNSEL@pa.gov

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§501-508, 701-704, and the General Rules of Administrative Practices and Procedures, 1 Pa. Code §§31.1-35.251.

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

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DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :**

v.

SYNAPSE CREDIT, LLC

: **DOCKET NO. 22 0014 (BNK-ORD)**
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ORDER

1. The Department of Banking and Securities (“Department”) is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the Consumer Discount Company Act, 7 P.S. § 6201 *et seq.* (“CDCA”).

2. The Compliance Office is primarily responsible for administering and enforcing the CDCA for the Department.

3. Synapse Credit LLC (“Synapse”) is currently licensed as a Consumer Discount Company, license no.77082.

4. Synapse maintains its principal place of business at 101 Second Street, Suite 1500, San Francisco, CA 94105.

BACKGROUND

5. The CDCA at 7 P.S. § 6210 imposes certain requirements on consumer discount company licensees like Synapse.

6. The CDCA states in pertinent part as follows: “Licensees operating under the provisions of this act shall annually, on or before the first day of March, file a report with the Secretary of Banking, giving such relevant information concerning the business and operations during the previous calendar year as the Secretary of Banking may require.” 7 P.S. § 6210.

7. On June 14, 2021, the Department launched a self-service web-based system (“Portal”) which provides licensees, including consumer discount companies, the ability to file all applications, amendments, reports etc.

8. On June 9, 2021, the Department provided notice of the Portal’s upcoming launch to Synapse.

9. The Department, pursuant to 7 P.S. § 6210, required each consumer discount company licensee to file through the Portal an Annual Report for the previous calendar year, 2021, by March 1, 2022.

10. On June 15, 2021, Synapse joined the Portal and took to active control of their licensing information. Synapse provided the following contact information: an email address of loans@synapsefi.com; phone numbers for their chief executive officer, Sheetal Parikh, and for their legal counsel, Christina Sanchez, of Redacted ; and phone numbers for their associate general counsel, Tracy Guerin, of Redacted and Redacted .

11. On January 1, 2022, the Portal created an Annual Report Task that notified Synapse via email, loans@snapysefi.com, that NCA’s annual report was due March 1, 2022.

12. The Department sent annual report reminders by email to Synapse on January 14, 2022, January 25, 2022, February 3, 2022, February 16, 2022, February 25, 2022 and February 28, 2022.

13. On February 23, 2022, February 24, 2022, and February 25, 2022, the Compliance Office attempted to reach Synapse in telephone calls to Sheetal Parikh and Christina Sanchez at Redacted . On March 1, 2022 and March 3, 2022 the Compliance Divisoin attempted to reach Synapse in telephone calls to Tracy Guerin at Redacted and Redacted . In each of the

telephone calls, the Compliance Office left voicemails stressing the importance of Synapse completing their annual report on time.

14. Synapse did not complete its Annual Report for the calendar year of 2021 by the deadline of March 1, 2022.

15. By email dated March 4, 2022, the Department notified Synapse that its Annual Report was past due and that it was incurring a \$10 per day fine until Synapse filed its Annual Report.

16. On March 4, 2022, the Compliance Office talked to Tracy Guerin, Ms. Guerin assured the Department that Synapse knew the annual report was late and needs completed.

17. Synapse filed the Annual Report by the end of the day on March 13, 2022, twelve days after the due date of March 1, 2022.

AUTHORITY

18. Section 202(D) of the Department of Banking and Securities Code authorizes the Department to issue orders as necessary and appropriate to administer any statute within the Department's jurisdiction. 71 P.S. § 733-202(D).

19. The Department has the authority to issue orders to enforce the CDCA. 7 P.S. § 6212.

20. Section 6210 of the CDCA authorizes the Department to impose a fine of \$10 for each calendar day that the Annual Report is overdue.

VIOLATION

21. By not filing the Annual Report on March 1, 2022, Synapse violated the CDCA at 7 P.S. § 6210.

AND NOW THEREFORE, because Synapse has failed to timely file the Annual Report

for the calendar year of 2021, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following:

1. Pursuant to the Department's authority in 7 P.S. § 6210 of the CDCA, Synapse is hereby fined \$120 (one hundred twentyone hundred twenty), which is payable within 30 days of the date of this order.

2. Payment shall be made by through the Department Portal.

3. Failure to pay the fine within 30 days may result in additional enforcement action, including, but not limited to, the suspension, revocation or refusal to renew Synapse's license.

4. Nothing in this Order shall prevent the Compliance Office from taking any further administrative actions as deemed necessary.

IT IS SO ORDERED.

Redacted

John Talalai, Director
Compliance Office
Department of Banking and Securities



4/21/2022

(Date)

FILED

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DEPARTMENT OF BANKING AND SECURITIES

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| | : |
| SYNAPSE CREDIT LLC : | : |
| | : |

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Order** upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST-CLASS MAIL

Synapse Credit LLC
101 Second Street, Suite 1500
San Francisco, CA 94105

Dated this 21st day of April 2022.

Redacted

Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17010