

FILED

COMMONWEALTH OF PENNSYLVANIA 2023 APR 10 AM 8:42
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

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

v. :

DOCKET NO. 23 0009 (BNK-ORD)

CREDOVA FINANCIAL, LLC :
: :
:

NOTICE TO ANSWER AND REQUEST A HEARING

You, Credova Financial, 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 you rely upon. 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 relating to this matter must be filed with the Docket Clerk:

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

Further, you must serve a copy of the Answer and any other documents on the person who signed the attached Order by providing a copy to their counsel set forth below:

Michael J. Gennett, Assistant Counsel
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
mgennett@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.

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CREDOVA FINANCIAL, LLC :

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. Credova Financial, LLC (“Credova”) is currently licensed as a Consumer Discount Company, license no. 95689.

4. Credova maintains its principal place of business at 515 W. Aspen Street, Suite 204, Bozeman, MT 59715.

BACKGROUND

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

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. The Department, pursuant to 7 P.S. § 6210, required each consumer discount company licensee to complete an Annual Report for the previous calendar year, 2022, filed through a self-service web-based system ("The Portal") by March 1, 2023.

8. The Portal created an Annual Report Task for Credova on January 1, 2023.

9. The automated creation of the Annual Report Task generated an email to Credova's compliance contact email address at spaul@credova.com, simultaneously.

10. The Department sent annual report reminders by email to Credova on January 19, 2023, January 24, 2023, January 31, 2023, February 6, 2023, February 13, 2023, February 21, 2023, and ending with the last reminder being sent on February 24, 2023.

11. On February 21, 2023, a telephone call was made by the Compliance Office to Credova's manager and compliance contact Samuel Paul at the number on file of (833) 273-3682. There was no menu option to speak with a representative without having to input a customer account number first.

12. On February 24, 2023, an email was sent to Michael Pena, Credova's Director of Finance and Compliance Officer (mpena@credova.com), Andrew Paul (apaul@credova.com), and James Giudice, Credova's Compliance Officer (jgiudice@credova.com) advising of the requirements to file an annual report on or before March 1, 2023.

13. On February 28, 2023, a telephone call was made to Samuel Paul at (833) 273-3682. The number did not allow the caller to speak to anyone without inputting an account number. An email reminder advising of the March 1, 2023 annual report filing deadline was sent to Samuel Paul at spaul@credova.com.

14. On March 1, 2023, a telephone call was made to Michael Pena at (775) 420-3499, resulting in the Compliance Office leaving a voicemail reminder to complete the annual report

filing by the end of the day. The Compliance Office received a call from Michael Pena acknowledging the Annual Report filing deadline and providing confirmation the annual report would be filed by the end of the day.

15. Credova did not complete its Annual Report for the calendar year of 2022 by the deadline of March 1, 2023.

16. Credova filed the Annual Report by the end of the day on March 2, 2023.

17. Credova filed the Annual Report one day after the due date of March 1, 2023.

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 after the due date that the Annual Report is filed.

VIOLATION

21. By not filing the Annual Report on March 1, 2023, Credova violated the CDCA at 7 P.S. § 6210.

AND NOW THEREFORE, because Credova has failed to timely file the Annual Report for the calendar year of 2022, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following:

22. Pursuant to the Department's authority in 7 P.S. § 6210 of the CDCA, Credova is hereby fined \$10 (Ten dollars), which is payable within 30 days of the date of this Order.

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

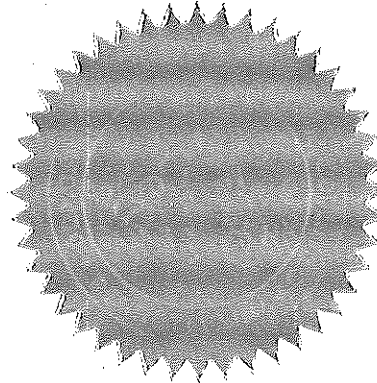
24. Failure to pay the fine within 30 days may result in additional enforcement action, including, but not limited to, the suspension, revocation or refusal to renew Credova's license.

25. 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



04/10/2023

(Date)

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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

Credova Financial, LLC
515 W Aspen Street, Suite 204
Bozeman, MT 59715

Dated this 11th day of April 2023.

Redacted

Eileen Smith, Legal Office Administrator
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17010
(717) 787-1471