

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

v. :

SYNAPSE CREDIT LLC :

DOCKET NO. 24 0019 (BNK-ORD)

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 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 via first-class mail and electronic mail with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 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 attached 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.

7. The Department, acting pursuant to its authority under Section 10 of the CDCA, 7 P.S. § 6210, requires each consumer discount company licensee to complete and file an Annual Report for the previous calendar year through a self-service web-based system (the “Portal”) by March 1 of the current year.

8. On January 1, 2024, the Department sent an email to Synapse informing Synapse that its Annual Report for 2023 must be filed on or before March 1, 2024.

9. In addition, the Department sent follow-up emails to Synapse reminding Synapse of the March 1, 2024 filing deadline on January 16, 2024; January 22, 2024; January 29, 2024; February 6, 2024; February 12, 2024; February 20, 2024; February 26, 2024; and February 29, 2024.

10. The Compliance Office called Synapse’s General Counsel, [Redacted] at [Redacted] and its Chief Financial Officer, [Redacted] at [Redacted], on February 6, 2024; February 14, 2024; February 21, 2024; and March 1, 2024. The Compliance Office left voicemail messages for both individuals on all four occasions.

11. On February 14, 2024, the Compliance also called Synapse’s annual report contact, [Redacted] at [Redacted]. The Compliance Office received an automated message stating that the call could not be completed at this time.

12. Notwithstanding the efforts of the Department and the Compliance Office described above, Synapse failed to file a completed Annual Report for the calendar year of 2023 by the deadline of March 1, 2024.

13. Instead, Synapse filed the Annual Report twenty days after the deadline on March 21, 2024.

AUTHORITY

14. Section 10 of the CDCA provides in relevant part: “For failure to file such reports within the time specified, the licensee shall pay to the Secretary of Banking a penalty of ten dollars (\$10) for each calendar day which such report is overdue. . . .” 7 P.S. § 6210.

15. In addition, Section 202.D of the Department of Banking and Securities Code provides: “The department may issue orders, statements of policy and interpretive letters necessary and appropriate to administer this act or any other statute within the department’s jurisdiction to administer or enforce.” 71 P.S. § 733-202.D.

VIOLATION

16. Synapse violated Section 10 of the CDCA, 7 P.S. § 6210 by filing an Annual Report concerning its business and operations for calendar year 2023 twenty days after the March 1, 2024 filing deadline.

AND NOW THEREFORE, because Synapse failed to timely file an Annual Report for the calendar year of 2023, the Compliance Office, pursuant to the authority referenced above, hereby Orders the following:

17. Synapse shall pay the Department a penalty of \$200 (two hundred dollars), which is payable within 30 days of the date of this Order.

18. Payment shall be made through the Department’s Portal <https://www.portal.dobs.pa.gov>.

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

20. Synapse shall, within 30 days of the date of this Order, update all portal information including, but not limited to email addresses, mobile or work telephone numbers, other electronic addresses or contact information in addition to ordinary mailing addresses, and shall ensure that such information remains updated on a going forward basis.

21. Nothing in this Order shall be interpreted to prevent the Compliance Office from taking any further administrative actions as deemed necessary.

IT IS SO ORDERED.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES,
COMPLIANCE OFFICE**

Redacted

John Talalai, Director
Compliance Office
Pennsylvania Department of Banking and Securities



04/22/2024

(Date)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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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

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

Dated this 23Rd day of April 2024.

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