

Suffolk, SS.

COMMISSIONER OF BANKS
DEBT COLLECTOR LICENSING
Docket No. 2021-0002

In the Matter of
DEVGRU Financial, LLC
Denver, Colorado

CEASE DIRECTIVE

WHEREAS the Commissioner of Banks (Commissioner) is charged with the administration of Massachusetts General Laws chapter 93, sections 24 through 28, inclusive, and applicable regulations found at 209 CMR 18.00 *et seq.*, governing the licensing and supervision of debt collectors. Pursuant to the authority granted by Massachusetts General Laws chapter 93, sections 24 through 28, the Commissioner has investigated the activities of DEVGRU Financial, LLC (DEVGRU) with an address of 3230 West 45th Avenue, Denver, Colorado, to determine if DEVGRU has engaged in, or is engaged in, or is about to engage in, acts or practices constituting violations of Massachusetts General laws chapter 93. Based upon such investigation, the Division of Banks (Division) hereby issues the following CEASE DIRECTIVE (Directive) as a result of the findings alleged herein.

FINDINGS OF FACT

1. The Division, through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of debt collection in Massachusetts pursuant to Massachusetts General Laws chapter 93, section 24A.

2. According to the Division's records, DEVGRU has been a foreign company conducting business in Massachusetts with a main address of 3230 West 45th Avenue, Denver, Colorado.
3. According to the Secretary of the Commonwealth of Massachusetts' records, DEVGRU is not registered to transact business in the Commonwealth.
4. Massachusetts General Laws Chapter 93, section 24A, relative to the licensing requirements for entities engaged in debt collection states, in part:

No person shall directly or indirectly engage in the commonwealth in the business of a debt collector, or engage in the commonwealth in soliciting the right to collect or receive payment for another of an account, bill or other indebtedness, or advertise for or solicit in print the right to collect or receive payment for another of an account, bill or other indebtedness, without first obtaining from the commissioner a license to carry on the business, nor unless the person or the person for whom he or it may be acting as agent has on file with the state treasurer a good and sufficient bond.

5. The definition of debt collector includes "any person who buys or acquires debt that is in default at the time of purchase or acquisition and who seeks to collect such debt directly."
209 CMR 18.02.
6. On Friday, February 12, 2021, the Division received a foreclosure delay request from a consumer regarding their residential mortgage in Massachusetts. The Division's review of the aforementioned request reflected DEVGRU's alleged unlicensed debt collection activity in Massachusetts.
7. Further investigation revealed DEVGRU held itself out as a debt collector on its company website, <http://www.devgrufinancial.com/>, which contained the language,
"THIS COMMUNICATION IS FROM A DEBT COLLECTOR BUT DOES NOT
IMPLY THAT DEVGRU FINANCIAL IS ATTEMPTING TO COLLECT MONEY
FROM ANYONE WHOSE DEBT HAS BEEN DISCHARGED PURSUANT TO (OR

WHO IS UNDER THE PROTECTION OF) THE BANKRUPTCY LAWS OF THE UNITED STATES; IN SUCH INSTANCES, IT IS INTENDED SOLELY FOR INFORMATIONAL PURPOSES AND DOES NOT CONSTITUTE A DEMAND FOR PAYMENT”. (Emphasis original.)

8. Further investigation revealed DEVGRU held itself out as engaging in debt collection practices on a separate website which contained the language, “DEVGRU Financial purchases distressed mortgage backed assets. The company is mission driven to help homeowners find individual, often highly creative solutions to retain their homes when they desire to do so. Strong emphasis on junior position residential Deed of Trust or Mortgage in many states throughout the US.”
9. According to the Division’s records and Nationwide Multi-State Licensing System, as of the date of this Directive, DEVGRU does not have a license in Massachusetts to engage in the business of a debt collector.

CONCLUSIONS OF LAW

10. Based upon the information contained in paragraphs 2 through 9 of this Directive, the Division has reason to believe that DEVGRU is engaged or is about to engage in unlicensed debt collection activity in Massachusetts, in violation of General Laws chapter 93, sections 24 through 28.

CEASE DIRECTIVE

After taking into consideration the FINDINGS OF FACT and CONCLUSIONS OF LAW stated herein, it is hereby directed:

11. DEVGRU shall immediately cease collecting debt on any accounts until such time that DEVGRU obtains a license to conduct business as a debt collector in the Commonwealth

pursuant to General Laws 93, section 24A, engages a debt collector licensed by the Commissioner to interact with Massachusetts consumers, engages an attorney licensed to practice law in Massachusetts to interact with Massachusetts consumers, or demonstrates it is exempt from Massachusetts debt collection licensing requirements.

12. DEVGRU must submit a response within five (5) days of receipt of this Directive. The response submitted by DEVGRU must also include a signed copy of the enclosed affidavit, attesting that DEVGRU will immediately cease from engaging in the business of a debt collector in Massachusetts.
13. DEVGRU shall, within five (5) days of the date of this Directive, provide the Division with a complete record, including a verification of receipt, of all funds collected from Massachusetts consumers from January 1, 2018 through the date of this Directive.
14. DEVGRU shall, within five (5) days of the date of this Directive, provide the Division with a detailed record of all Massachusetts accounts held for collection by DEVGRU.

NOTICE OF RIGHT TO REQUEST A HEARING

15. DEVGRU or its authorized representative has the right to request a hearing to contest the allegations described herein. In order to request a hearing, DEVGRU or its authorized representative is required to file a notice of claim for an Adjudicatory Proceeding within thirty (30) days of the effective date of this Cease Directive, pursuant to the Standard Adjudicatory Rules of Practices and Procedures, 801 CMR 1.01(6)(b) and (c).
16. A hearing will be scheduled on this matter only upon receipt of a written request for such a hearing from DEVGRU or its authorized representative within thirty (30) days of service of this Cease Directive upon DEVGRU or its authorized representative. DEVGRU's

failure to request a hearing within this thirty (30) day period or failure to appear at a scheduled hearing date shall be deemed consent to the issuance of the Cease Directive.

17. The hearing shall be fixed for a date not more than thirty (30) days after the date of service upon the Commissioner of the request for hearing and will be conducted according to M.G.L. chapter 30A, sections 10 and 11, and the Standard Adjudicatory Rules of Practice and Procedure, 801 CMR 1.01 and 1.03.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS.

Dated at Boston, Massachusetts, this 31st day of March, 2021.

/s/ Cynthia A. Begin, Esq.
First Deputy Commissioner
Commissioner of Banks