

OCCC CASE NO. L19-00187

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NUMBER: 1400051171	§	OFFICE OF CONSUMER
PROGRESO RECEIVABLES	§	
FUNDING III, LLC	§	CREDIT COMMISSIONER
1600 SEAPORT BLVD., STE. 250	§	
REDWOOD CITY, CALIFORNIA 94063	§	STATE OF TEXAS

**ORDER TO MAINTAIN MINIMUM NET ASSETS**

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order to Maintain Minimum Net Assets against Progreso Receivables Funding III, LLC (“Progreso”).<sup>1</sup>

**Statement of Facts and Law**

Progreso is a regulated lender licensed by the OCCC under Chapter 342 of the Texas Finance Code. Progreso operates under master file number 1400051171 at one licensed location, under license number 151889. Progreso’s compliance officer is Scott Harvey, and its designated contact address is 1600 Seaport Blvd., Ste. 250, Redwood City, California 94063.

A regulated lender must report its minimum net asset within its annual reports with the Consumer Credit Commissioner (“Commissioner”).<sup>2</sup> A regulated lender must maintain for each office for which a license is held net assets of at least \$25,000 that are used or readily available for use in conducting the business of that office.<sup>3</sup>

Net assets are the total value of acceptable assets used or designated as readily available for use in the business, less liabilities, other than those liabilities secured by unacceptable assets.<sup>4</sup> Unacceptable assets include, but are not limited to, goodwill, unpaid stock subscriptions, lines of credit, notes receivable from an owner, property subject to the claim of homestead or other property exemption

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<sup>1</sup> Tex. Fin. Code § 14.208.

<sup>2</sup> Tex. Fin. Code § 342.559.

<sup>3</sup> Tex. Fin. Code § 342.153(a).

<sup>4</sup> 7 Tex. Admin. Code § 89.301(1).

and encumbered real or personal property to the extent of the encumbrance.<sup>5</sup> Generally, assets are available for use if they are readily convertible to cash within 10 business days.<sup>6</sup>

The balance sheet submitted by Progreso with its 2017 annual report shows the company has a net asset that is below the requirement. On September 5, 2018, the OCCC sent a letter to Progreso instructing to either correct the balance sheet if an error was made, or to transfer enough assets to the business to meet the net assets requirement. The letter instructed Progreso to submit a corrected balance sheet and documentation supporting all changes. As of the date of this Order, the OCCC has not received the requested information.

The Commissioner may issue an injunction ordering a regulated lender to report and maintain the required net asset minimum if the Commissioner has reasonable cause to believe that the regulated lender is violating Chapter 342 of the Texas Finance Code.<sup>7</sup> The Commissioner has reasonable cause to believe that Progreso is violating Chapter 342 of the Texas Finance Code, and therefore issues this Order, because Progreso failed to maintain minimum net asset requirements.

## **Order**

IT IS ORDERED that Progreso Receivables Funding III, LLC:

1. cease and desist from violating, and comply with the requirements set forth in 342.153(a) of the Texas Finance Code;
2. submit a new balance sheet with documents supporting all changes within 30 days of service of this Order, if it has not already done so; and
3. file timely, complete, and accurate annual reports reflecting compliance with the minimum net asset requirement.

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<sup>5</sup> 7 Tex. Admin. Code § 89.301(1).

<sup>6</sup> 7 Tex. Admin. Code § 89.301(1).

<sup>7</sup> Tex. Fin. Code § 14.208.

## **Violation of Order**

You may be assessed an administrative penalty of up to \$1,000 for each day of violation of this Order.<sup>8</sup> Multiple violations may also result in the suspension or revocation of your license.<sup>9</sup>

## **Right to Request Hearing**

You have the right to request a hearing regarding this Order.<sup>10</sup> Your request must be made in writing and sent to the OCCC not later than 30 days after you receive this Order. You must send your request to:

Alexandra Gullett  
Office of Consumer Credit Commissioner  
2601 N. Lamar Blvd.  
Austin, Texas 78705

If you request a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.<sup>11</sup> If you fail to request a hearing by this deadline, this Order is considered final and enforceable.<sup>12</sup>

All communications with the OCCC concerning this matter must be through Alexandra Gullett, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7659, or by email to alexandra.gullett@occc.texas.gov.

Signed this 8th day of April, 2019.

/s/ Leslie L. Pettijohn  
Leslie L. Pettijohn  
Consumer Credit Commissioner  
State of Texas

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<sup>8</sup> Tex. Fin. Code § 14.208(c).

<sup>9</sup> Tex. Fin. Code § 342.156(2).

<sup>10</sup> Tex. Fin. Code § 14.208(b).

<sup>11</sup> Tex. Fin. Code § 14.208(b).

<sup>12</sup> Tex. Fin. Code § 14.208(c).

## CERTIFICATE OF SERVICE

I certify that on April 8, 2019, a true and correct copy of this Order to Maintain Minimum Net Assets has been sent to Progreso Receivables Funding III, LLC by regular mail and certified mail, return receipt requested, at:

CMRRR: 91 7199 9991 7036 0790 5098  
Progreso Receivables Funding III, LLC  
Attn: Scott Harvey, Compliance Officer  
1600 Seaport Blvd., Ste. 250  
Redwood City, California 94063

CMRRR: 91 7199 9991 7036 0790 5104  
Progreso Receivables Funding III, LLC  
Attn: National Registered Agents Inc, Registered Agent  
1999 Brian Street Ste. 900  
Dallas, Texas 75201

/s/Alexandra Gullett  
Alexandra L. Gullett  
Assistant General Counsel  
Office of Consumer Credit Commissioner  
State Bar No. 24101840  
2601 North Lamar Blvd.  
Austin, Texas 78705  
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