



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 3. PROFESSIONS AND VOCATIONS GENERALLY [5000 - 9998.11] (*Heading of Division 3 added by Stats. 1939, Ch. 30.)*

CHAPTER 11. Repossessors [7500 - 7511.5] (*Chapter 11 added by Stats. 1981, Ch. 1138, Sec. 11.)*

ARTICLE 9. Prohibited Acts and Citations [7508 - 7509.3] (*Article 9 added by Stats. 1981, Ch. 1138, Sec. 11.)*

7508. The director may assess administrative fines against any repossession agency licensee, qualified certificate holder, or registrant for any of the prohibited acts outlined in this article.

(*Added by Stats. 1981, Ch. 1138, Sec. 11.*)

7508.1. The director may assess administrative fines for the following prohibited acts:

- (a) Knowingly making any false report to his or her employer or client for whom information was being obtained. The fine shall be one hundred dollars (\$100) for the first violation and five hundred dollars (\$500) for each violation thereafter.
- (b) Using any identification to indicate registration as a reposessor, other than the bureau-issued registration card, except an employer identification card issued by the repossession agency which has met bureau approval, or a badge, cap insignia, or jacket patch as provided in Section 7508.8. A bureau-issued registration card shall be carried by those individuals specified by Section 7506.3, and shall be shown on demand to any bureau employee or law enforcement officer. The fine shall be one hundred dollars (\$100) for each violation.
- (c) Using a business name other than the name under which the license is issued in connection with the official activities of the licensee's business. The bureau shall issue a notice of warning for a first violation, a fine of one hundred dollars (\$100) for the second violation, and a fine not to exceed two hundred fifty dollars (\$250) for each violation thereafter.
- (d) Appearing as an assignee party in any court proceeding involving claim and delivery, replevin, or other possessory court action, action to foreclose a chattel mortgage, mechanic's lien, materialman's lien, or any other lien. This section shall not prohibit a licensee from appearing as a defendant in any of the preceding actions. The fine shall be one hundred dollars (\$100) for each violation.

(*Amended by Stats. 2016, Ch. 800, Sec. 4. (SB 1196) Effective January 1, 2017.*)

7508.2. The director may assess administrative fines for any of the following prohibited acts:

- (a) Recovering collateral or making any money demand in lieu thereof, including, but not limited to, collateral registered under the Vehicle Code, that has been sold under a security agreement before a signed or telegraphic authorization has been received from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor of the collateral. A telephonic assignment is acceptable if the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is known to the licensee and a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is received by the licensee within 10 working days or a request by the licensee for a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is made in writing within 10 working days. Referrals of assignments from one licensee to another licensee are acceptable. The referral of an assignment shall be made under the same terms and conditions as in the original assignment. The fine shall be one hundred dollars (\$100) for the first violation and five hundred dollars (\$500) for each violation thereafter, per audit.
- (b) Using collateral or personal effects, which have been recovered, for the personal benefit of a licensee, or officer, partner, manager, registrant, or employee of a licensee. The fine shall be two hundred fifty dollars (\$250) for the first violation and a fine not to exceed one thousand dollars (\$1,000) for each violation thereafter. This subdivision does not apply to personal effects disposed of pursuant to subdivision (c) of Section 7507.9. Nothing in this subdivision prohibits the using or taking of personal property connected, adjoined, or affixed to the collateral through an unbroken sequence if that use or taking is reasonably necessary to effectuate the recovery in a safe manner or to protect the collateral or personal effects.

(c) Selling collateral recovered under this chapter, or making a demand for payment in lieu of repossession. The fine shall be two hundred fifty dollars (\$250) for the first violation and a fine not to exceed one thousand dollars (\$1,000) for each subsequent violation.

(d) Unlawfully entering any private building or secured area without the consent of the owner, or of the person in legal possession thereof, at the time of repossession. The fine shall be five hundred dollars (\$500) for each violation.

(e) Committing unlawful assault or battery on another person during the course of a repossession. The fine shall not exceed two thousand five hundred dollars (\$2,500) for each violation.

(f) Falsification of an inventory. The fine shall be one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) for each violation thereafter.

(g) Soliciting from the legal owner the recovery of specific collateral registered under the Vehicle Code or under the motor vehicle licensing laws of other states after the collateral has been seen or located on a public street or on public or private property without divulging the location of the vehicle. The fine shall be one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) for each violation thereafter.

(Amended by Stats. 2016, Ch. 800, Sec. 5. (SB 1196) Effective January 1, 2017.)

7508.3. A licensee, or any of his or her registrants or employees, or a qualified certificate holder, is prohibited from using any false or misleading representation during the course of recovery of collateral. The bureau shall issue a notice of warning for a first violation, a fine of one hundred dollars (\$100) for the second violation, and a fine not to exceed two hundred fifty dollars (\$250) for any subsequent violation of any of the following:

(a) The false representation or implication that the individual is vouched for, bonded by, or affiliated with the United States or with any state, county, city, or city and county, including the use of any badge, uniform, or facsimile thereof.

(b) The false representation or implication that any individual is an attorney or that any communication is from any attorney.

(c) The representation or implication by a repossession agency or its registrants or employees that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person, unless the action is lawful and the creditor has instructed the repossession agency to inform the debtor that the creditor intends to take the action.

(d) The threat to take any action that cannot legally be taken.

(e) The false representation or implication that the debtor committed any crime or other conduct in order to disgrace the debtor.

(f) The use or distribution of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by any court, official, or agency of the United States or any state, or which creates a false impression as to its source, authorization, or approval.

(g) The false representation or implication that documents are legal process.

(h) The use of any business, company, or organization name other than the true name of the repossession agency's business, company, or organization.

(i) The use of any deceptive forms.

(Amended by Stats. 2016, Ch. 800, Sec. 6. (SB 1196) Effective January 1, 2017.)

7508.4. The director may assess administrative fines for any of the following prohibited acts:

(a) Conducting business from any location other than that location to which a license was issued or conducting a business as an individual, partnership, limited liability company, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, limited liability company, or corporation. The fine shall be one thousand dollars (\$1,000) for each violation.

(b) Aiding or abetting an unlicensed reposessor or assigning his or her license. "Assigning his or her license" means that no licensee shall permit a registrant, employee, or agent in his or her own name to advertise, engage clients, furnish reports, or present bills to clients, or in any manner whatsoever to conduct business for which a license is required under this chapter. The fine shall be one thousand dollars (\$1,000) for each violation.

(c) Failing to register registrants within 15 days. The fine shall be two hundred fifty dollars (\$250) for each of the first two violations and one thousand dollars (\$1,000) for each violation thereafter.

(d) Employing a person whose registration has expired or been revoked, denied, suspended, or canceled, if the bureau has furnished a listing of these persons to the licensee. The fine shall be one hundred fifty dollars (\$150) for the first violation and a fine not to exceed one thousand dollars (\$1,000) for each violation thereafter.

(e) Failing to notify the bureau, within 30 days, of any change in officers. A notice of warning shall be issued for the first violation. Thereafter, the fine shall be five hundred dollars (\$500) for each violation.

(f) Failing to submit the notices regarding a violent act or threatened violent act within seven days pursuant to Section 7507.6 or to submit a copy of a judgment awarded against the licensee for an amount of more than the then prevailing maximum claim that may be brought in small claims court within seven days pursuant to Section 7507.7. The fine shall not exceed five hundred dollars (\$500) for the first violation and shall not exceed one thousand dollars (\$1,000) for each violation thereafter.

(g) Failing to include the licensee's name, address, and license number in any advertisement. The fine shall be fifty dollars (\$50) for each violation.

(h) Failing to maintain personal effects for at least 60 days. The fine shall be one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) for each violation thereafter.

(i) Failing to provide a personal effects list or a notice of seizure within the time limits set forth in Section 7507.9 or 7507.10. The fine shall be one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) for each violation thereafter.

(j) Failing to file the required report pursuant to Section 28 of the Vehicle Code. The fine shall be one hundred dollars (\$100) for the first violation and two hundred fifty dollars (\$250) for each violation thereafter, per audit.

(k) Failing to maintain an accurate record and accounting of secure temporary registration forms. The qualified certificate holder shall be fined two hundred fifty dollars (\$250) for the first violation, fined an amount not to exceed five hundred dollars (\$500) for the second violation, and fined an amount not to exceed one thousand dollars (\$1,000) plus a one-year suspension of the privilege to issue temporary registrations pursuant to Section 7506.9 for the third and subsequent violations.

(l) Representing that a licensee has an office and conducts business at a specific address when that is not the case. The fine shall be five thousand dollars (\$5,000) for each violation.

(m) Notwithstanding any other law, the money in the Private Security Services Fund that is attributable to administrative fines imposed pursuant to this section shall not be continuously appropriated and shall be available for expenditure only upon appropriation by the Legislature.

(Amended by Stats. 2016, Ch. 800, Sec. 7. (SB 1196) Effective January 1, 2017.)

7508.5. The director may assess administrative fines against a repossession agency registrant for the following acts, in addition to fines imposed pursuant to any other section in this article. The fine shall be twenty-five dollars (\$25) for each of the following violations:

(a) Knowingly submit a false report.

(b) Submitting a report to a client without authorization by his or her employer.

(c) Failing to carry a bureau-issued identification card and failing to show that card upon demand to a bureau employee or a law enforcement officer.

(d) Failing to register.

(e) Failing to return his or her registration card to the employer upon termination.

(f) Failing to report a violent act involving the registrant to the licensee or the licensee's qualified certificate holder within 24 hours.

(Amended by Stats. 2014, Ch. 390, Sec. 7. (AB 2503) Effective September 17, 2014.)

7508.6. The director may assess administrative fines against any repossession agency licensee, qualified certificate holder, or registrant for failure to notify the bureau within 30 days of any change of residence or business address. The fine shall be fifty dollars (\$50) for each violation.

(Amended by Stats. 2016, Ch. 800, Sec. 8. (SB 1196) Effective January 1, 2017.)

7508.7. (a) Except as otherwise provided by law, a repossession agency shall not disclose to the public, any person other than the individual to whom the information pertains, or any nongovernmental entity, without a court order, the residence address, residence telephone number, cellular telephone number, driver's license number, work schedule, past, present, or future location, or any other personal information of any licensee, registrant, qualified certificate holder, qualified manager, employee, or independent contractor the agency employs.

(b) For the purpose of verifying information for the issuance or renewal of a policy of insurance, a repossession agency may provide to an insurance company the name, driver's license number, and date of birth of a licensee, registrant, qualified certificate holder, qualified manager, employee, or independent contractor the agency employs.

(Amended by Stats. 2015, Ch. 740, Sec. 8. (AB 281) Effective January 1, 2016.)

7508.8. (a) Notwithstanding Section 7508.3, an oval, shield, round, square, or non-seven-point badge, cap insignia, or jacket patch may be worn by a licensee, officer, director, partner, manager, independent contractor, qualified certificate holder, qualified manager, or employee of a repossession agency. If a badge, cap insignia, or jacket patch is worn, it shall bear on its face all of the following:

(1) All or a substantial part of the repossession agency's name.

(2) The repossession agency license number issued by the director to that individual or agency.

(3) The word "reposessor."

(b) A reposessor shall not wear a badge on his or her belt or hang a badge around his or her neck.

(c) All badges, cap insignias, and jacket patches worn by a reposessor shall be a standard design approved by the director and shall be clearly visible.

(d) This section shall not apply to a holder of a temporary registration pursuant to Section 7506.9.

(e) The director may assess a fine of one hundred dollars (\$100) for the first violation, one hundred seventy-five dollars (\$175) for the second violation, and two hundred fifty dollars (\$250) for each subsequent violation.

(Added by Stats. 2013, Ch. 340, Sec. 7. (AB 791) Effective January 1, 2014.)

7509. (a) (1) A licensee, certificate holder, or registrant under this chapter may request a review by the Collateral Recovery Disciplinary Review Committee, as established in Section 7509.1, to contest the assessment of an administrative fine or to appeal a denial, revocation, or suspension, unless the denial, revocation, or suspension is ordered by the director in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) A request for a review shall be by written notice to the disciplinary review committee within 30 days of the issuance of the citation and assessment or denial, revocation, or suspension.

(3) Following a review by the disciplinary review committee, the appellant shall be notified within 30 days, in writing, by regular mail, of the committee's decision.

(4) If the appellant disagrees with the decision made by the disciplinary review committee, he or she may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. A request for a hearing following a decision by the disciplinary review committee shall be by written notice to the bureau within 30 days of the committee's decision.

(5) If the appellant does not request a hearing within 30 days, the disciplinary review committee's decision shall become final.

(b) (1) A licensee, certificate holder, or registrant may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code if he or she contests the assessment of an administrative fine, or to appeal a denial, revocation, or suspension. A hearing may also be requested if the appellant disagrees with the decision made by the disciplinary review committee.

(2) A request for a hearing shall be by written notice to the bureau within 30 days of the issuance of the decision by the disciplinary review committee. A hearing pursuant to this subdivision shall be available only after a review by the disciplinary review committee.

(c) This section shall become operative on July 1, 2017.

(Added by Stats. 2015, Ch. 740, Sec. 9. (AB 281) Effective January 1, 2016. Section operative July 1, 2017, by its own provisions.)

7509.1. (a) On or before July 1, 2017, the Governor shall appoint a Collateral Recovery Disciplinary Review Committee, and may remove any member of the committee for misconduct, incompetency, or neglect of duty. The committee shall consist of five members. Of the five members, three members shall be actively engaged in business as a licensed repossession agency and two members shall be public members. None of the public members shall be licensees, certificate holders, or registrants, or engaged in any business or profession in which any part of the fees, compensation, or revenue thereof is derived from any licensee.

(b) The disciplinary review committee shall meet every 60 days or more or less frequently as may be required. The members shall be paid per diem pursuant to Section 103 and shall be reimbursed for actual travel expenses. The members shall be appointed for a term of four years.

(c) This section shall become operative on July 1, 2017.

(Added by Stats. 2015, Ch. 740, Sec. 10. (AB 281) Effective January 1, 2016. Section operative July 1, 2017, by its own provisions.)

7509.2. (a) The Collateral Recovery Disciplinary Review Committee shall perform the following functions:

(1) Affirm, rescind, or modify all decisions concerning administrative fines assessed by the director or bureau against repossession agencies or their employees, that are appealed to the committee.

(2) Affirm, rescind, or modify all decisions concerning denial of licenses issued by the director or bureau, except denials or suspensions ordered by the director in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, that are appealed to the committee.

(b) The Collateral Recovery Disciplinary Review Committee may grant a probationary license, certificate, registration, or permit with respect to the appealed decisions described in subdivision (a).

(c) This section shall become operative on July 1, 2017.

(Added by Stats. 2015, Ch. 740, Sec. 11. (AB 281) Effective January 1, 2016. Section operative July 1, 2017, by its own provisions.)

7509.3. (a) The bureau shall provide the Collateral Recovery Disciplinary Review Committee all evidence used by the bureau in reaching its decision prior to any review or appeal of that decision by the committee.

(b) This section shall become operative on July 1, 2017.

(Added by Stats. 2015, Ch. 740, Sec. 12. (AB 281) Effective January 1, 2016. Section operative July 1, 2017, by its own provisions.)