

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2170

Introduced by Assembly Member Calderon

February 18, 2004

An act to amend Sections 7500.2, 7503.4, 7507.3, 7507.9, 7507.10, and 7508.2 of, *to add Section 7505.2 to, and to repeal and add Section 7500.1 of,* the Business and Professions Code, relating to repossession agencies.

LEGISLATIVE COUNSEL'S DIGEST

AB 2170, as amended, Calderon. Collateral recovery.

Existing law, the Collateral Recovery Act, provides for the licensing and regulation of repossession agencies. The act requires a licensed repossession agency to make an inventory of personal ~~property recovered that is not covered by a debtor's security agreement~~ *effects at the time the collateral is recovered*, and requires the inventory to be signed by the repossession agency registrant or employee who performs the inventory and to include the name, address, business hours, and phone number of the person at the repossession agency to contact for recovering personal effects.

This bill would delete the signature requirement for the inventory of *personal effects* and would require the permanent records of the licensee to indicate the name of the employee or registrant who performed the inventory. The bill would require the inventory to include the name, address, business hours, and phone numbers of the repossession agency, rather than of the person at the repossession agency to be contacted for ~~repossession~~ *recovery of personal effects*.

Existing law requires a licensee to serve a debtor with notice of a seizure of collateral that includes the name, address, and telephone number of the representative of the legal owner and of the representative of the repossession agency to be contacted regarding *the* repossession.

This bill would instead require that the notice include the name, address, and telephone number of the legal owner and of the repossession agency to be contacted regarding *the* repossession.

Existing law provides that nothing in the act permits a domestic or foreign limited liability company to be licensed as a repossession agency.

This bill would delete that provision.

Existing law authorizes the assessment of specified administrative fines against a licensee that uses collateral or personal effects for the personal benefit of the licensee or officer, partner, manager, registrant, or employee of the licensee.

This bill would specify that this provision does not prohibit the using or taking of personal effects ~~that are spatially contiguous to collateral property connected, adjoined, or affixed to the collateral through an unbroken sequence~~ if the use or taking is reasonably necessary to effectuate the recovery in a safe *and expedient* manner or to protect the collateral or personal effects.

The bill would make other related changes.

Because this bill would place additional requirements on a person licensed under the Collateral Recovery Act, the violation of which is a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7500.1 of the Business and Professions
- 2 Code is repealed.



1 7500.1.—The following terms as used in this chapter have the
2 meaning expressed in this section.

3 (a) “Person” includes any individual, partnership, limited
4 liability company, or corporation.

5 (b) “Department” means the Department of Consumer
6 Affairs.

7 (c) “Director” means the Director of Consumer Affairs.

8 (d) “Bureau” means the Bureau of Security and Investigative
9 Services.

10 (e) “Chief” means the Chief of the Bureau of Security and
11 Investigative Services.

12 (f) “Licensee” means an individual, partnership, limited
13 liability company, or corporation licensed under this chapter as a
14 repossession agency.

15 (g) “Qualified certificate holder” or “qualified manager” is a
16 person who possesses a valid qualification certificate in
17 accordance with the provisions of Article 5 (commencing with
18 Section 7504) and is in active control or management of, and who
19 is a director of, the licensee’s place of business.

20 (h) “Registrant” means a person registered under this chapter.

21 (i) “Services” means any duty or labor to be rendered by one
22 person for another.

23 (j) “Dangerous drugs” means any controlled substances as
24 defined in Chapter 2 (commencing with Section 11053) of
25 Division 10 of the Health and Safety Code.

26 (k) “Deadly weapon” means and includes any instrument or
27 weapon of the kind commonly known as a blackjack, slungshot,
28 billy, sandclub, sandbag, metal knuckles, dirk, dagger, pistol, or
29 revolver, or any other firearm, any knife having a blade longer than
30 five inches, any razor with an unguarded blade, and any metal pipe
31 or bar used or intended to be used as a club.

32 (l) “Combustibles” means any substance or article that is
33 capable of undergoing combustion or catching fire, or that is
34 flammable, if retained.

35 (m) “Health hazard” means any personal effects which if
36 retained would produce an unsanitary or unhealthful condition.

37 (n) “Advertisement” means any written or printed
38 communication, including a directory listing, except a free
39 telephone directory listing which does not allow space for a license
40 number.



1 ~~(o) “Assignment” means a written authorization by the legal~~
2 ~~owner, lienholder, lessor or lessee to skip trace, locate, or repossess~~
3 ~~or to collect money payment in lieu of repossession of, any~~
4 ~~collateral, including, but not limited to, collateral registered under~~
5 ~~the Vehicle Code that is subject to a security agreement that~~
6 ~~contains a repossession clause. “Assignment” also means a~~
7 ~~written authorization by an employer to recover any collateral~~
8 ~~entrusted to an employee or former employee if the possessor is~~
9 ~~wrongfully in possession of the collateral. A photocopy, facsimile~~
10 ~~copy, or electronic copy of an assignment shall have the same force~~
11 ~~and effect as an original written assignment.~~

12 ~~(p) “Security agreement” means an obligation, pledge,~~
13 ~~mortgage, chattel mortgage, lease agreement, deposit, or lien,~~
14 ~~given by a debtor as security for payment or performance of his or~~
15 ~~her debt, by furnishing the creditor with a recourse to be used in~~
16 ~~case of failure in the principal obligation. “Security agreement”~~
17 ~~also includes a bailment where an employer-employee~~
18 ~~relationship exists or existed between the bailor and the bailee.~~

19 ~~(q) “Legal owner” means a person holding a security interest~~
20 ~~in any collateral that is subject to a security agreement, a lien~~
21 ~~against any collateral, or an interest in any collateral that is subject~~
22 ~~to a lease agreement.~~

23 ~~(r) “Private building” means and includes any dwelling,~~
24 ~~outbuilding, or other enclosed structure.~~

25 ~~(s) “Secured area” means and includes any fenced and locked~~
26 ~~area.~~

27 ~~(t) “Violent act” means any act that results in bodily harm or~~
28 ~~injury to any party involved.~~

29 ~~(u) “Collateral” means any vehicle, boat, recreational vehicle,~~
30 ~~motor home, appliance, or other property that is subject to a~~
31 ~~security agreement.~~

32 ~~(v) “Personal effects” means any property contained within~~
33 ~~repossessed collateral that is not the property of the legal owner.~~

34 ~~(w) “Debtor” means any person obligated under a security~~
35 ~~agreement.~~

36 *SEC. 2. Section 7500.1 is added to the Business and*
37 *Professions Code, to read:*

38 *7500.1. The following terms as used in this chapter have the*
39 *meaning expressed in this section.*



1 (a) “Advertisement” means any written or printed
2 communication, including a directory listing, except a free
3 telephone directory listing which does not allow space for a license
4 number.

5 (b) “Assignment” means a written authorization by the legal
6 owner, lienholder, lessor or lessee to skip trace, locate, or
7 repossess or to collect money payment in lieu of repossession of,
8 any collateral, including, but not limited to, collateral registered
9 under the Vehicle Code that is subject to a security agreement that
10 contains a repossession clause. “Assignment” also means a
11 written authorization by an employer to recover any collateral
12 entrusted to an employee or former employee if the possessor is
13 wrongfully in possession of the collateral. A photocopy, facsimile
14 copy, or electronic copy of an assignment shall have the same force
15 and effect as an original written assignment.

16 (c) “Bureau” means the Bureau of Security and Investigative
17 Services.

18 (d) “Chief” means the Chief of the Bureau of Security and
19 Investigative Services.

20 (e) “Collateral” means any vehicle, boat, recreational vehicle,
21 motor home, appliance, or other property that is subject to a
22 security agreement.

23 (f) “Combustibles” means any substance or article that is
24 capable of undergoing combustion or catching fire, or that is
25 flammable, if retained.

26 (g) “Dangerous drugs” means any controlled substances as
27 defined in Chapter 2 (commencing with Section 11053) of Division
28 10 of the Health and Safety Code.

29 (h) “Deadly weapon” means and includes any instrument or
30 weapon of the kind commonly known as a blackjack, slungshot,
31 billy, sandclub, sandbag, metal knuckles, dirk, dagger, pistol, or
32 revolver, or any other firearm, any knife having a blade longer than
33 five inches, any razor with an unguarded blade, and any metal pipe
34 or bar used or intended to be used as a club.

35 (i) “Debtor” means any person obligated under a security
36 agreement.

37 (j) “Department” means the Department of Consumer Affairs.

38 (k) “Director” means the Director of Consumer Affairs.

39 (l) “Health hazard” means any personal effects which if
40 retained would produce an unsanitary or unhealthful condition.



1 (m) “Legal owner” means a person holding a security interest
2 in any collateral that is subject to a security agreement, a lien
3 against any collateral, or an interest in any collateral that is
4 subject to a lease agreement.

5 (n) “Licensee” means an individual, partnership, limited
6 liability company, or corporation licensed under this chapter as a
7 repossession agency.

8 (o) “Multiple licensee” means a repossession agency holding
9 more than one repossession license under this chapter, with one
10 fictitious trade style and ownership, conducting repossession
11 business from additional licensed locations other than the location
12 shown on the original license.

13 (p) “Person” includes any individual, partnership, limited
14 liability company, or corporation.

15 (q) “Personal effects” means any property that is not the
16 property of the legal owner.

17 (r) “Private building” means and includes any dwelling,
18 outbuilding, or other enclosed structure.

19 (s) “Qualified certificate holder” or “qualified manager” is a
20 person who possesses a valid qualification certificate in
21 accordance with the provisions of Article 5 (commencing with
22 Section 7504) and is in active control or management of, and who
23 is a director of, the licensee’s place of business.

24 (t) “Registrant” means a person registered under this chapter.

25 (u) “Secured area” means and includes any fenced and locked
26 area.

27 (v) “Security agreement” means an obligation, pledge,
28 mortgage, chattel mortgage, lease agreement, deposit, or lien,
29 given by a debtor as security for payment or performance of his or
30 her debt, by furnishing the creditor with a recourse to be used in
31 case of failure in the principal obligation. ‘Security agreement’
32 also includes a bailment where an employer-employee
33 relationship exists or existed between the bailor and the bailee.

34 (w) “Services” means any duty or labor to be rendered by one
35 person for another.

36 (x) “Violent act” means any act that results in bodily harm or
37 injury to any party involved.

38 SEC. 3. Section 7500.2 of the Business and Professions Code
39 is amended to read:



1 7500.2. A repossession agency means and includes any
2 person who, for any consideration whatsoever, engages in
3 business or accepts employment to locate or recover collateral,
4 *whether voluntary or involuntary*, including, but not limited to,
5 collateral registered under the provisions of the Vehicle Code
6 which is subject to a security agreement, except for any person
7 registered pursuant to Article 7 (commencing with Section 7506).

8 *SEC. 4. Section 7503.4 of the Business and Professions Code*
9 *is amended to read:*

10 7503.4. (a) If the applicant for a license is a corporation, the
11 application shall state the true names and complete residence
12 addresses of all officers. The application shall also state the name
13 and address of the person to be actively in charge of the business
14 for which the license is sought. The application shall be subscribed
15 and verified by a duly authorized officer of the applicant and by
16 the qualified certificate holder thereof. The application shall also
17 state whether any of the officers has ever used an alias.

18 (b) If the applicant for a license is a limited liability company,
19 the application shall state the true names and complete residence
20 addresses of all owners and the name and address of the owner to
21 be actively in charge of the business for which the license is sought.
22 If a qualified certificate holder, other than an owner, is to be
23 actively in charge of the business, then the application shall state
24 the name and address of that person. The application shall be
25 subscribed and verified by each owner and, if any other person is
26 to be actively in charge of the business, the application shall also
27 be subscribed and verified by that person. The application shall
28 also state whether any of the owners has ever used an alias.

29 ~~(c) Nothing in this chapter permits a domestic or foreign~~
30 ~~limited liability company to be licensed as a repossession agency.~~

31 *SEC. 5. Section 7505.2 is added to the Business and*
32 *Professions Code, to read:*

33 7505.2. *Nothing in this chapter prohibits the using or taking*
34 *of personal property that is connected, adjoined, or affixed to the*
35 *collateral through an unbroken sequence, if that use or taking is*
36 *reasonably necessary to effectuate the recovery in a safe and*
37 *expedient manner or to protect the collateral or personal effects.*

38 *SEC. 6. Section 7506 of the Business and Professions Code is*
39 *repealed.*

40 ~~7506.—As used in this article:~~



1 ~~(a) “Licensee” means a repossession agency licensed under~~
2 ~~this chapter.~~

3 ~~(b) “Multiple licensee” means a repossession agency holding~~
4 ~~more than one repossession license under this chapter, with one~~
5 ~~fictitious trade style and ownership, conducting repossession~~
6 ~~business from additional licensed locations other than the location~~
7 ~~shown on the original license.~~

8 *SEC. 7. Section 7507.3 of the Business and Professions Code*
9 *is amended to read:*

10 7507.3. A repossession agency shall be required to keep and
11 maintain adequate records of all transactions, including, but not
12 limited to, assignment forms; vehicle report of repossession
13 required by Section 28 of the Vehicle Code; vehicle condition
14 reports, including odometer readings, *if available*; personal
15 effects inventory; notice of seizure; and records of all transactions
16 pertaining to the sale of collateral that has been repossessed,
17 including, but not limited to, bids solicited and received, cash
18 received, deposits made to the trust account, remittances to the
19 seller, and allocation of any moneys not so remitted to appropriate
20 ledger accounts. Records, including bank statements of the trust
21 account, shall be retained for a period of not less than four years
22 and shall be available for examination by the bureau upon demand.
23 In addition, collateral and personal effects storage areas shall be
24 made accessible for inspection by the bureau upon demand. An
25 assignment form may be an original, a photocopy, a facsimile
26 copy, or a copy stored in an electronic format.

27 *SEC. 8. Section 7507.9 of the Business and Professions Code*
28 *is amended to read:*

29 7507.9. ~~If personal~~ *Personal* effects ~~or other personal~~
30 ~~property, not covered by a security agreement, are contained in or~~
31 ~~on collateral at the time it is recovered, the effects shall be removed~~
32 ~~from the collateral subject to the security interest, a shall be~~
33 *removed from the collateral. A complete and accurate inventory of*
34 *the personal effects* shall be made, and the personal effects shall be
35 labeled and stored by the licensee for a minimum of 60 days in a
36 secure manner, except those personal effects removed by or in the
37 presence of the debtor or the party in possession of the collateral
38 at the time of the repossession.



1 (a) The date and time the inventory is made shall be indicated
2 . The permanent records of the licensee shall indicate the name of
3 the employee or registrant who performed the inventory.

4 (b) The following items of personal effects are items
5 determined to present a danger or health hazard when recovered
6 by the licensee and shall be disposed of in the following manner:

7 (1) Deadly weapons and dangerous drugs shall be turned over
8 to ~~a local~~ any law enforcement agency for retention. These items
9 shall be entered on the inventory and a notation shall be made as
10 to the date and the time and the place the deadly weapon or
11 dangerous drug was turned over to the law enforcement agency,
12 and a receipt from the law enforcement agency shall be maintained
13 in the records of the repossession agency.

14 (2) Combustibles shall be inventoried and noted as “disposed
15 of, dangerous combustible,” and the item shall be disposed of in
16 a reasonable and safe manner.

17 (3) Food and other health hazard items shall be inventoried and
18 noted as “disposed of, health hazard,” and disposed of in a
19 reasonable and safe manner.

20 (c) Personal effects may be disposed of after being held for at
21 least 60 days. The inventory, and adequate information as to how,
22 when, and to whom the personal effects were disposed of, shall be
23 filed in the permanent records of the licensee.

24 (d) The inventory shall include the name, address, business
25 hours, and phone number of the repossession agency to contact for
26 recovering the personal effects and an itemization of all personal
27 effects removal and storage charges that will be made by the
28 repossession agency. The inventory shall also include the
29 following statement: “Please be advised that the property listed on
30 this inventory will be disposed of by the repossession agency after
31 being held for 60 days from the date of this notice IF
32 UNCLAIMED.”

33 (e) The inventory shall be provided to a debtor not later than 48
34 hours after the recovery of the collateral, except that if:

35 (1) The 48-hour period encompasses a Saturday, Sunday, or
36 postal holiday, the inventory shall be provided no later than 72
37 hours after the recovery of the collateral.

38 (2) The 48-hour period encompasses a Saturday or Sunday and
39 a postal holiday, the inventory shall be provided no later than 96
40 hours after the recovery of the collateral.



1 (3) Inventory resulting from repossession of a yacht,
2 motorhome, or travel trailer is such that it shall take at least four
3 hours to inventory, then the inventory shall be provided no later
4 than 96 hours after the recovery of the collateral. When the
5 96-hour period encompasses a Saturday, Sunday, or postal
6 holiday, the inventory shall be provided no later than 120 hours
7 after the recovery of the collateral.

8 (f) Environmental, Olympic, special interest, or other license
9 plates issued pursuant to Article 8 (commencing with Section
10 5000), Article 8.4 (commencing with Section 5060) or Article 8.5
11 (commencing with Section 5100) of Chapter 1 of Division 3 of the
12 Vehicle Code that remain the personal effects of the debtor shall
13 be removed from the collateral and inventoried pursuant to this
14 section. If the plates are not claimed by the debtor within 60 days,
15 they shall be effectively destroyed and the licensee shall, within 30
16 days thereafter, notify the Department of Motor Vehicles of their
17 effective destruction on a form promulgated by the chief that has
18 been approved as to form by the Director of the Department of
19 Motor Vehicles.

20 (g) The notice may be given by regular mail addressed to the
21 last known address of the debtor or by personal service at the
22 option of the repossession agency.

23 (h) The debtor may waive the preparation and presentation of
24 an inventory if the debtor redeems the personal effects or other
25 personal property not covered by a security interest within the time
26 period for the notices required by this section and signs a statement
27 that he or she has received all the property.

28 (i) If personal effects or other personal property not covered by
29 a security ~~interest~~ *agreement* are to be released to someone other
30 than the debtor, the repossession agency may request written
31 authorization to do so from either the debtor or the legal owner.

32 (j) The inventory shall be a confidential document. A licensee
33 shall only disclose the contents of the inventory under the
34 following circumstances:

35 (1) In response to the order of a court having jurisdiction to
36 issue the order.

37 (2) In compliance with a lawful subpoena issued by a court of
38 competent jurisdiction.

39 (3) When the debtor has consented in writing to the release and
40 the written consent is signed and dated by the debtor subsequent



1 to the repossession and states the entity or entities to whom the
2 contents of the inventory may be disclosed.

3 ~~SEC. 2.~~

4 *SEC. 9.* Section 7507.10 of the Business and Professions
5 Code is amended to read:

6 7507.10. A licensee shall serve a debtor with a notice of
7 seizure as soon as possible after the recovery of collateral and not
8 later than 48 hours, except that if the 48-hour period encompasses
9 a Saturday, Sunday, or postal holiday, the notice of seizure shall be
10 provided not later than 72 hours or, if the 48-hour period
11 encompasses a Saturday or Sunday and a postal holiday, the notice
12 of seizure shall be provided not later than 96 hours, after the
13 repossession of collateral. The notice shall include all of the
14 following:

15 (a) The name, address, and telephone number of the legal
16 owner to be contacted regarding the repossession.

17 (b) The name, address, and telephone number of the
18 repossession agency to be contacted regarding the repossession.

19 (c) A statement printed on the notice containing the following:
20 “Repossessors are regulated by the Bureau of Security and
21 Investigative Services, Department of Consumer Affairs,
22 Sacramento, CA 95814. Repossessors are required to provide you,
23 not later than 48 hours after the recovery of collateral, with an
24 inventory of personal effects or other personal property recovered
25 during repossession unless the 48-hour period encompasses a
26 Saturday, Sunday, or a postal holiday, then the inventory shall be
27 provided no later than 96 hours after the recovery of collateral.”

28 (d) A disclosure that “Damage to a vehicle during or
29 subsequent to a repossession and only while the vehicle is in
30 possession of the repossession agency and which is caused by the
31 repossession agency is the liability of the repossession agency. A
32 mechanical or tire failure shall not be the responsibility of the
33 repossession agency unless the failure is due to the negligence of
34 the repossession agency.”

35 (e) If applicable, a disclosure that “Environmental, Olympic,
36 special interest, or other license plates issued pursuant to Article
37 8 (commencing with Section 5000), Article 8.4 (commencing with
38 Section 5060) or Article 8.5 (commencing with Section 5100) of
39 Chapter 1 of Division 3 of the Vehicle Code that remain the
40 personal effects of the debtor will be removed from the collateral



1 and inventoried, and that if the plates are not claimed by the debtor
2 within 60 days, they will be destroyed.”

3 (f) A disclosure of the charges payable by the debtor to the
4 repossession agency for the storage of the collateral and personal
5 effects from the date of repossession until release of the property
6 from storage.

7 The notice may be given by regular mail addressed to the last
8 known address of the debtor or by personal service at the option
9 of the repossession agency.

10 ~~SEC. 3.~~

11 *SEC. 10.* Section 7508.2 of the Business and Professions
12 Code is amended to read:

13 7508.2. The director may assess administrative fines for any
14 of the following prohibited acts:

15 (a) Recovering collateral or making any money demand in lieu
16 thereof, including, but not limited to, collateral registered under
17 the Vehicle Code, that has been sold under a security agreement
18 before a signed or telegraphic authorization has been received
19 from the legal owner, debtor, lienholder, lessor, or repossession
20 agency acting on behalf of the legal owner, debtor, lienholder, or
21 lessor of the collateral. A telephonic assignment is acceptable if the
22 legal owner, debtor, lienholder, lessor, or repossession agency
23 acting on behalf of the legal owner, debtor, lienholder, or lessor is
24 known to the licensee and a written authorization from the legal
25 owner, debtor, lienholder, lessor, or repossession agency acting on
26 behalf of the legal owner, debtor, lienholder, or lessor is received
27 by the licensee within 10 working days or a request by the licensee
28 for a written authorization from the legal owner, debtor,
29 lienholder, lessor, or repossession agency acting on behalf of the
30 legal owner, debtor, lienholder, or lessor is made in writing within
31 10 working days. Referrals of assignments from one licensee to
32 another licensee are acceptable. The referral of an assignment shall
33 be made under the same terms and conditions as in the original
34 assignment. The fine shall be twenty-five dollars (\$25) for each of
35 the first five violations and one hundred dollars (\$100) for each
36 violation thereafter, per audit.

37 (b) Using collateral or personal effects, which have been
38 recovered, for the personal benefit of a licensee, or officer, partner,
39 manager, registrant, or employee of a licensee. The fine shall be
40 twenty-five dollars (\$25) for the first violation and one hundred



1 dollars (\$100) for each violation thereafter. This subdivision does
2 not apply to personal effects disposed of pursuant to subdivision
3 (c) of Section 7507.9. Nothing in this subdivision prohibits ~~using~~
4 ~~or taking personal effects that are spatially contiguous to the~~
5 ~~collateral if the use or taking is reasonably necessary to effectuate~~
6 ~~the recovery in a safe manner or to protect the collateral or the~~
7 ~~using or taking of personal property connected, adjoined, or~~
8 ~~affixed to the collateral through an unbroken sequence if that use~~
9 ~~or taking is reasonably necessary to effectuate the recovery in a~~
10 ~~safe and expedient manner or to protect the collateral or personal~~
11 effects.

12 (c) Selling collateral recovered under the provisions of this
13 chapter, except with written authorization from the legal owner or
14 mortgagee thereof. The fine shall be one hundred dollars (\$100)
15 for the first violation and five hundred dollars (\$500) for each
16 violation thereafter, per audit.

17 (d) Failing to remit all money due clients within 10 working
18 days after finalization of the sale of collateral. The licensee shall
19 deposit all money received in the form of cash or negotiable
20 instruments made payable to the licensee for money due clients
21 from the sale of collateral that has been repossessed in a trust
22 account within five working days, and the money shall be
23 withdrawn only for remittance to the client and for the payment of
24 amounts due the licensee. The fine shall be two hundred fifty
25 dollars (\$250) for the first violation and one thousand dollars
26 (\$1,000) for each violation thereafter. For purposes of this
27 subdivision, “finalization of sale” means the time when the
28 documents of title or ownership which permit transfer of title from
29 the legal owner to the purchaser are received by the repossession
30 agency.

31 (e) Failing to remit moneys collected in lieu of repossession or
32 redemption to a client within 10 working days after receipt of the
33 moneys. The fine shall be two hundred fifty dollars (\$250) for the
34 first violation and one thousand dollars (\$1,000) for each violation
35 thereafter.

36 (f) Failing to deliver to a client any negotiable instrument
37 received by the licensee made payable to the client within 10
38 working days of receipt of the negotiable instrument. No licensee,
39 manager, registrant, or employee of a licensee shall accept a
40 negotiable instrument made payable to a client unless they have



1 authorization from the client to accept the negotiable instrument.
2 The fine shall be two hundred fifty dollars (\$250) for the first
3 violation and one thousand dollars (\$1,000) for each violation
4 thereafter.

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

9 (h) Committing unlawful assault or battery on another person.
10 The fine shall be five hundred dollars (\$500) for each violation.

11 (i) Falsification or alteration of an inventory. The fine shall be
12 twenty-five dollars (\$25) for each violation.

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

20 ~~SEC. 4.~~

21 *SEC. 11.* No reimbursement is required by this act pursuant
22 to Section 6 of Article XIII B of the California Constitution
23 because the only costs that may be incurred by a local agency or
24 school district will be incurred because this act creates a new crime
25 or infraction, eliminates a crime or infraction, or changes the
26 penalty for a crime or infraction, within the meaning of Section
27 17556 of the Government Code, or changes the definition of a
28 crime within the meaning of Section 6 of Article XIII B of the
29 California Constitution.

