

DFPI Rings In The New Year By Issuing A Dozen Subpoenas

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Yesterday, the Department of Financial Protection and Innovation [announced](#) that it had issued "subpoenas to a dozen companies with significant California customer bases, representing the first major action to be taken under the expanded oversight and enforcement authority of the California Consumer Financial Protection Law (CCFPL)". The CCFPL, AB 1864 (2020 Cal. Stats. ch. 157), grants the DFPI has broad investigative powers, including the power to issue subpoenas pursuant to California Government Code Sections 11180 - 11191.

A year ago, the California Court of Appeal upheld the authority of the State Water Resources Control Board to issue investigative subpoenas pursuant to these same statutes in *State Water Resources Control Bd. v. Baldwin & Sons, Inc.*, 45 Cal. App. 5th 40 (2020). Citing the California Supreme Court's decision in *Brovelli v. Superior Court*, 56 Cal. 2d 524 (1961), Justice [Patricia Guerrero](#) found that to be valid, the agency's subpoenas must:

- Inquire into matters the agency is authorized to investigate;
- Not be too indefinite; and
- Seek information reasonably relevant to the investigation.

It is interesting that the DFPI has chosen to target an industry that it does not yet license. Debt collectors are not subject to licensing by the DFPI until next year pursuant to SB 908 which was also enacted last year (SB 908, 2020 Cal. Stats. ch. 163).

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