

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SAN FERNANDO VALLEY DIVISION**

**FILED & ENTERED**

**SEP 12 2025**

**CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY Cetulio DEPUTY CLERK**

In re:

Case No.: 1:24-bk-10646-MB

SYNAPSE FINANCIAL  
TECHNOLOGIES, INC.,

Chapter 11 Case

Debtor.

CONSUMER FINANCIAL  
PROTECTION BUREAU,

Adv. No. 1:25-ap-01052

Plaintiff,

**STIPULATED FINAL JUDGMENT AND  
ORDER**

v.

SYNAPSE FINANCIAL  
TECHNOLOGIES, INC.,

Defendant.

The Consumer Financial Protection Bureau (“Bureau”) commenced this adversary proceeding on August 21, 2025 to obtain injunctive and monetary relief and civil penalties from Debtor Synapse Financial Technologies, Inc. (“Synapse” or “Debtor”). The Complaint alleges violations of sections 1031(a) and 1036(a) of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), in connection with Synapse’s provision of material services to entities engaged in deposit-taking activities, the transmission or exchange of funds, otherwise acting as a custodian of funds or any financial instrument for use by or on behalf of a consumer, or providing payments or other financial data processing products or services to a consumer by any technological means.

The Bureau and Synapse through Jelena McWilliams, solely in her capacity as the duly appointed Chapter 11 Trustee (“Trustee”), agree to entry of this Stipulated Final Judgment and

1 Order (“Order”), without adjudication of any issue of fact or law, to settle and resolve all matters  
2 in dispute arising from the conduct alleged in the Complaint.

3  
4 **FINDINGS**

5 1. On April 22, 2024, before the commencement of the instant adversary  
6 proceeding, Synapse filed a voluntary petition for relief under Chapter 11 of the United States  
7 Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, initiating this bankruptcy proceeding (“Bankruptcy  
8 Proceeding”) in the United States Bankruptcy Court for the Central District of California, San  
9 Fernando Valley Division.

10 2. On May 24, 2024, this Court appointed Jelena McWilliams as the Chapter 11  
11 Trustee for Debtor.

12 3. On August 21, 2025, Plaintiff filed the above-captioned adversary proceeding  
13 against Debtor’s estate.

14 4. The automatic stay of the Bankruptcy Code does not stay the affirmative relief  
15 sought in this adversary proceeding against Debtor because the action falls within the police and  
16 regulatory power exception to the automatic stay set forth in 11 U.S.C. § 362(b)(4).

17 5. The Trustee has sought authority to enter into this Order by a motion pursuant to  
18 Fed. R. Bankr. P. 9019.

19 6. The Trustee is an independent fiduciary for Debtor and its bankruptcy estate,  
20 having been appointed by the Court. Accordingly, Plaintiff makes no allegations against the  
21 Trustee, but only against Debtor.

22 7. The Trustee and Debtor neither admit nor deny the allegations in the Complaint,  
23 except as specified in this Order. For purposes of this Order, the Trustee and Debtor admit the  
24 facts necessary to establish the Court’s jurisdiction over them and the subject matter of this  
25 action.  
26



- 1 b. “**Affected Consumers**” includes any consumer who had an account with a  
2 FinTech Platform as of May 17, 2024.
- 3 c. “**Assisting Others**” includes, but is not limited to:  
4 i. consulting in any form whatsoever;  
5 ii. providing administrative support services;  
6 iii. maintaining transaction data and account balances;  
7 iv. processing transactions;  
8 v. participating in designing, operating, or maintaining; and  
9 vi. acting or serving as an owner, officer, director, manager, or principal  
10 of any entity.
- 11 d. “**Debtor**” means Synapse Financial Technologies, Inc., and its successors and  
12 assigns.
- 13 e. “**Effective Date**” means the date on which the Order is entered by the Court  
14 on the docket.
- 15 f. “**Enforcement Director**” means the Enforcement Director of the  
16 Enforcement Division for the Consumer Financial Protection Bureau, or their  
17 delegate.
- 18 g. “**FinTech Platform**” means nonbank financial technology entities that  
19 offered banking services to consumer end users, for which Synapse was a  
20 Service Provider.
- 21 h. “**Partner Bank Distributions**” means any amounts paid to Affected  
22 Consumers by Evolve Bank & Trust, AMG National Trust Bank, or Lineage  
23 Bank between May 17, 2024 and the Effective Date.
- 24 i. “**Related Consumer Action**” means a private action by or on behalf of one  
25 or more consumers or an enforcement action by another governmental agency  
26

brought against Synapse based on substantially the same facts as described in the Complaint.

- j. **“Service Provider”** means any person that provides a material service to a covered person, in connection with the offering or provision by such covered person of a consumer financial product or service, including a person that—
- (i) participates in designing, operating, or maintaining the consumer financial product or service; or (ii) processes transactions relating to the consumer financial product or service (other than unknowingly or incidentally transmitting or processing financial data in a manner that such data is undifferentiated from other types of data of the same form as the person transmits or processes). “Service Provider” does not include a person solely by virtue of such person offering or providing to a covered person—(i) a support service of a type provided to businesses generally or a similar ministerial service; or (ii) time or space for an advertisement for a consumer financial product or service through print, newspaper, or electronic media. 12 U.S.C. § 5481(26).
- k. **“Synapse”** means Synapse Financial Technologies, Inc., and its successors and assigns.
- l. **“Trustee”** means Jelena McWilliams solely in her capacity as the duly appointed Chapter 11 Trustee for Debtor, and any successor trustee.

## **CONDUCT PROVISIONS**

### **I.**

#### **Cessation of Business Operations**

**IT IS ORDERED** that:



**MONETARY PROVISIONS**

**III.**

**Order to Pay Civil Money Penalty**

**IT IS FURTHER ORDERED** that:

18. Under section 1055(c) of the CFPA, 12 U.S.C § 5565(c), by reason of violations of the law alleged in the Complaint and continuing until the Effective Date, and taking into account the factors in 12 U.S.C. § 5565(c)(3), a civil money penalty in favor of the Bureau and against Debtor is ordered in the amount of \$1.00 (One U.S. Dollar) which shall be deemed an allowed general unsecured claim in the Bankruptcy Proceeding and against the estate.

19. The civil money penalty paid under this Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

20. Debtor, for all purposes, must treat the civil money penalty paid under this Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Debtor may not:

- a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Order; or
- b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Order.

21. Subject to 11 U.S.C §§ 507(a) and 726 governing priorities of expenses and claims in the Bankruptcy Proceeding, the Trustee relinquishes all dominion, control, and title to the funds paid under this Order to the fullest extent permitted by law and no part of the funds may be returned to the estate.

22. The facts alleged in the Complaint will be taken as true and be given collateral estoppel effect, without further proof, in any proceeding based on the entry of the Order, or in

1 any subsequent civil litigation by or on behalf of the Bureau, including in a proceeding to enforce  
2 its rights to any payment or monetary judgment under this Order.

3 23. Within 30 days of the entry of a final judgment, order, or settlement in a Related  
4 Consumer Action, to the extent that such a Related Consumer Action is commenced in the  
5 Bankruptcy Proceeding or otherwise on notice to the Trustee while the Bankruptcy Proceeding  
6 is pending, then the Trustee must notify the Enforcement Director of the final judgment, order,  
7 or settlement in writing. That notification must indicate the amount of redress, if any, that Debtor  
8 paid or is required to pay to consumers and describe the consumers or classes of consumers to  
9 whom that redress has been or will be paid.

10 **IV.**

11 **Notices**

12 **IT IS FURTHER ORDERED** that:

13 24. Unless otherwise directed in writing by the Bureau, Debtor and the Trustee must  
14 provide all submissions, requests, communications, or other documents relating to this Order in  
15 writing, with the subject line, “*In re Synapse*, Case No. 24-bk-10646-MB” and send them by  
16 email to Enforcement\_Compliance@cfpb.gov:

17 ATTN: Enforcement Director

18 Consumer Financial Protection Bureau

19 Enforcement Division

20 **V.**

21 **Cooperation with the Bureau**

22 **IT IS FURTHER ORDERED** that:

23 25. The Trustee will provide information in its or its agents’ possession or control  
24 requested by the Bureau within 14 days of receiving a written request for such information.  
25  
26





SYNAPSE FINANCIAL TECHNOLOGIES, INC.

Jelena McWilliams

*Chapter 11 Trustee*

September 11, 2025

By: 

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Sept. 11, 2025

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