

CFPB Takes Action Against Zero Parallel for Steering Consumers Toward Bad Deals

Bureau Orders Zero Parallel and Its Owner to Pay \$350,000 and Stop Their Abusive Practices

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WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) today took action against an online lead aggregator for steering consumers toward lenders who offered illegal or unlicensed loans that were void in the consumer's state. Zero Parallel, LLC sold consumers' payday and installment loan applications to lenders it knew were likely to make void loans that the lenders had no legal right to collect. The CFPB also submitted a proposed order in a separate case that would resolve a pending lawsuit against Zero Parallel's owner, Davit Gasparyan, for engaging in similarly illegal conduct at his prior company, T3Leads. The CFPB ordered Zero Parallel to end its illegal conduct and pay a \$100,000 penalty. The proposed order against Gasparyan would prohibit him from engaging in the same abusive practice and require him to pay a \$250,000 penalty.

"Zero Parallel steered consumers toward payday and installment loans that were a bad deal," said CFPB Director Richard Cordray. "We're ordering Zero Parallel and its owner Davit Gasparyan to pay \$350,000 and to stop these illegal abusive practices."

Zero Parallel, a lead aggregator, is based in Glendale, Calif. Lead aggregators buy consumer information—called leads—from lead generators who operate websites that market payday and installment loans. Lead aggregators sell those leads to purchasers, typically payday or installment lenders. Consumers who applied for loans through Zero Parallel's network had no control over which lenders received

their applications. Zero Parallel regularly sold leads for consumers located in states where the resulting loan was void.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB can take action against institutions or individuals engaged in or substantially assisting unfair, deceptive, or abusive acts or practices or that otherwise violate federal consumer financial laws. The CFPB found that Zero Parallel committed an abusive practice by selling loan applications to lenders in a manner that prevented consumers from understanding the risks, costs, or conditions of the loans they were offered, and the order entered today puts a stop to it. Specifically, the CFPB's consent order requires Zero Parallel to:

- **Ensure loans resulting from applications it sells are not void:** Zero Parallel must undertake reasonable efforts to ensure that loan applications it sells do not result in consumer loans that are void under the laws of the consumer's state of residence.
- **Pay a \$100,000 civil money penalty:** Zero Parallel must pay \$100,000 to the Consumer Bureau's Civil Penalty Fund.

Davit Gasparyan is Zero Parallel's president and primary owner. The CFPB [previously sued](#) Gasparyan over his involvement with another lead aggregator, T3Leads. In that case, the CFPB today submitted a proposed order, which, if approved, would resolve its lawsuit against Gasparyan. If entered by the court, the proposed order against Gasparyan for his T3Leads-related actions would require him and others under his direction to:

- **Ensure loans resulting from applications he sells are not void:** Gasparyan must undertake reasonable efforts, including verifying required licenses for his purchasers, to ensure that loan applications he sells do not result in consumer loans that are void under the laws of the consumer's state of residence.
- **Ensure that lead generators do not deceive consumers:** Gasparyan must not solicit or receive loan applications through any means that uses misleading, inaccurate, or false statements. Furthermore, he must review the content of lead generators' advertising before receiving loan applications to ensure that it does not contain misleading, inaccurate, or false statements and that the lead generators disclose to consumers how their loan applications will be conveyed to others.
- **Pay a \$250,000 civil money penalty:** Gasparyan must pay \$250,000 to the Consumer Bureau's Civil Penalty Fund.

The full text of the CFPB's consent order entered against Zero Parallel is available at: http://files.consumerfinance.gov/f/documents/201709_cfpb_zero-parallel-llc_consent-order.pdf 

A copy of the proposed order with respect to Gasparyan is available at: http://files.consumerfinance.gov/f/documents/201709_cfpb_gasparyan_proposed-stipulated-final-judgment.pdf 

A copy of the complaint previously filed against Gasparyan is available at: http://files.consumerfinance.gov/f/documents/201607_cfpb_gasparyan_first-amended-complaint.pdf 

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.

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