

LAWRENCE G. WASDEN
Attorney General

BRIAN D. NICHOLAS – I.S.B. #3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8091
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)	
FINANCE, CONSUMER FINANCE)	
BUREAU,)	Docket No. 2011-9-18
)	
Complainant,)	CONSENT ORDER
)	
vs.)	
)	
STA INTERNATIONAL, INC., a New)	
York corporation,)	
)	
Respondent.)	
)	

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho collection activities of STA INTERNATIONAL, INC. (Respondent). Pursuant to said review, it appears to the Director that Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. Respondent consents to the entry of this Consent Order.

RESPONDENT

1. Respondent was originally formed as a New York corporation on June 26, 1958 as “Stanley Tulchin Associates, Inc.” and later changed its name to “STA International, Inc.” on or about March 7, 2011. Respondent conducts business as a collection agency in Idaho from 333 Earle Ovington Boulevard, Suite 1025, Uniondale, New York 11553. Jeffrey Robert Tulchin is Respondent’s President/CEO/Owner/Director; Walter Joseph Lockhart is Respondent’s COO/Collections Manager/Director; and Kate Rong Zhang is Respondent’s CFO. Respondent’s parent company is STA Credit Corp.

2. Respondent has never been issued nor had ever applied for a license to engage in collection activities in Idaho under the Act until its recent application submitted to the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) on or about June 23, 2011.

FACTS

3. On or about December 13, 2010, the Department received a complaint from B.G., a resident of Gooding, Idaho. B.G. reported that Respondent had repeatedly contacted him over the time period between November 2010 through at least January 2011 in an attempt to collect on a debt allegedly owed by a business for which B.G. is a principal.

4. After receiving the complaint from B.G. and noting that Respondent failed to hold a license under the Act, the Department commenced an investigation concerning Respondent’s apparent unlicensed collection activity in Idaho. As part of that investigation, the Department requested that Respondent provide information concerning the extent of its unlicensed collection activity in Idaho. Respondent complied with such request.

5. The Department concluded from its investigation that Respondent had engaged in collection activities in Idaho against at least thirty-seven (37) commercial businesses for the past several years, and at since at least April 2006 Respondent has collected in Idaho against various commercial entities on behalf its clients, while not maintaining the required license under the Act.

6. On or about June 23, 2011, the Department received an application for a collection agency license in Idaho under the Act submitted by Respondent.

FINDINGS OF VIOLATION

UNLICENSED COLLECTION AGENCY ACTIVITY

7. The allegations set forth in paragraphs 1 through 6 above are fully incorporated herein by this reference

8. From 2002 until it was amended in 2008, Idaho Code § 26-2223 provided as follows, in pertinent part:

26-2223. Collection agency, debt counselor, or credit counselor permits. -- No person shall without complying with the terms of this act and obtaining a permit from the director:

(1) Operate as a collection agency, collection bureau, collection office, debt counselor, or credit counselor in this state.

(2) Engage, either directly or indirectly in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

...

9. Beginning on July 1, 2008, Idaho Code § 26-2223 provided as follows, in pertinent part:

26-2223. Collection agency, debt counselor, credit counselor, or credit repair organization – License required. – No person shall without complying with the terms of this act and obtaining a license from the director:

(1) Operate as a collection agency, debt counselor, credit counselor, or credit repair organization in this state.

(2) Engage, either directly or indirectly, in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

...

10. Respondent's acts of engaging in debt collection activity in Idaho without a license, as referenced in paragraphs 3 through 6 above, constitute violations of Idaho Code § 26-2223(1) and -(2), in both its pre- and post-July 1, 2008 forms as set forth in paragraphs 8 and 9 above.

REMEDIES

11. Respondent admits the allegations contained in this Consent Order.

12. Upon the execution of this Consent Order, Respondent agrees to pay to the Department an administrative penalty in the amount of five thousand dollars (\$5,000), and an additional amount of five hundred dollars (\$500) constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of five thousand five hundred dollars (\$5,500).

13. When Respondent has executed this Consent Order and made the five thousand five hundred dollar (\$5,500) payment due by no later than October 7, 2011, the Department agrees to accept and consider the licensing application submitted by Respondent, and that it will not consider this Consent Order the basis for denial of Respondent's licensing application.

14. Respondent agrees to abide by all provisions of the Idaho Collection Agency Act and rules promulgated thereunder at all times in the future.

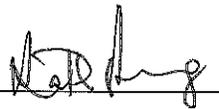
15. Respondent agrees that the findings of fact and violations contained herein may be used in any subsequent proceeding resulting from any breach of the terms of this Consent Order or future violations of the Act, rules promulgated thereunder, or relevant federal laws and rules by Respondent.

16. The Department agrees not to seek further penalties or fees for the violations identified in this Consent Order other than as set forth in paragraph 12 above, as long as Respondent fully complies with the terms of this Consent Order.

17. Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same.

DATED this 4th day of October, 2011.

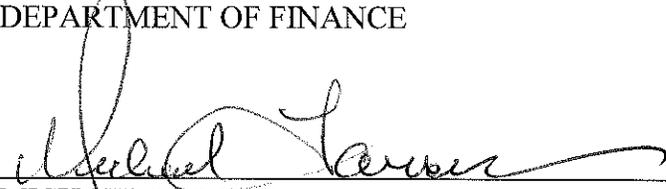
STA INTERNATIONAL, INC.

By: Kate Rong Zhang 

Title: CFO

DATED this 11th day of October, 2011.

STATE OF IDAHO
DEPARTMENT OF FINANCE


MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 11th day of OCTOBER, 2011.



STATE OF IDAHO
DEPARTMENT OF FINANCE

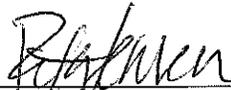

GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11 day of October, 2011, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

Walter J. Lockhart
STA International, Inc.
333 Earle Ovington Blvd., Ste. 1025
P.O. Box 707
Uniondale, NY 11553-0707

U.S. mail, postage prepaid
 certified mail
 facsimile:



Paralegal