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

STATE OF IDAHO, DEPARTMENT OF
FINANCE, CONSUMER FINANCE BUREAU,

Complainant,

vs.

G. REYNOLDS SIMS AND ASSOCIATES P.C.

Respondent.

Docket No. 2012-9-21

CONSENT ORDER

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the collection activities in Idaho of G. REYNOLDS SIMS AND ASSOCIATES P.C. (Respondent). Pursuant to such 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). Respondent neither admits nor denies that it has violated the Act, but to avoid litigation, has agreed to resolve this matter with the Director. The Director and Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative

proceeding or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. Respondent voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. Respondent was formed as a Michigan professional corporation on January 11, 2006. Respondent is a law firm doing business as a collection agency. Such business includes Respondent collecting or receiving payment for others of any account, bill, claim or other indebtedness. Respondent conducts business in Idaho from 2075 West Big Beaver Road, #200, Troy, Michigan. Its owner is G. Reynolds Sims.

FACTS

2. Mr. Sims is licensed to practice law in the state of Michigan. He does not hold a license to practice law in the state of Idaho.

3. Respondent has never applied for nor ever held a license under the Idaho Collection Agency Act, authorizing it to engage in collection activities in Idaho.

4. On January 26, 2012, April 9, and June 11, 2012, the Department received three complaints from Idaho consumers against Respondent. All three consumers had been contacted by Respondent for the purpose of collecting a third party debt. After receiving D.R.'s complaint and noting that Respondent has never had an Idaho collection agency license, the Department began an investigation of Respondent's collection activities in Idaho. The Department's investigation included communicating with Respondent regarding the matters being investigated.

5. On receiving these complaints, as part of its investigation, the Department sent a letter to Respondent concerning the complaints, and Respondent's apparent unlicensed collection activity in Idaho. In that letter, the Department requested that Respondent provide information

necessary for the Department to determine the extent of Respondent's unlicensed collection activity in Idaho.

6. On May 29, 2012, Respondent submitted to the Department an application for a license under the Act.

7. On May 31, 2012, the Respondent provided to the Department a Idaho consumer account list. In its May 31, 2012 response, the Respondent explained that it was a franchise of a national debt buyer and that it believed it was able to operate under the license of the national debt buyer.

8. The Department contacted the licensed national debt buyer, who provided the Department with a copy of the license agreement between itself and the Respondent. The Department has determined that the license agreement did not authorize Respondent to operate in Idaho.

9. Based on Respondent's account list, it indicated it had collection activity on 526 accounts in Idaho. The national debt buyer provided a list to the Department which showed that Respondent had been assigned 2,811 Idaho accounts for collection.

10. On June 26, 2012, the Department issued a Deficient Application Notice to Respondent because its application was incomplete. The Respondent did not complete the application and thus, it was deemed withdrawn by the Department.

11. Respondent did not complete the application because it indicates it is no longer collecting from Idaho consumers. As set forth in Paragraph 19, below, Respondent will seek an Idaho license before collecting from Idaho consumers.

FINDINGS

ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO

12. The allegations set forth in paragraphs 1 through 11 above are fully incorporated herein by this reference.

13. Idaho Code § 26-2223 provides 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, 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.

...

14. “Collection agency” means a person who engages in any of the activities enumerated in subsections (1) or (2) of Idaho Code § 26-2223, which are set forth in the previous paragraph.

15. The Department has determined that Respondent’s acts of engaging in collection activities in Idaho without a license, as referenced above, constitute violations of Idaho Code § 26-2223(1) and –(2), as set forth in paragraphs 10 and 11 above, and that each act of collecting constitutes a separate violation.

REMEDIES

16. Respondent neither admits nor denies violations of Idaho Code § 26-2223(1), but consents to the entry of this Order to resolve the findings of the Department.

17. Respondent agrees to immediately cease and desist from engaging in any and all collection activities in Idaho, to include collecting or receiving payment for others of any account, bill, claim or other indebtedness; making telephone calls related to collection activities, including automated calls; and mailing, faxing, e-mailing, or otherwise delivering communications to Idaho residents in connection with collection activities until such time as it

obtains a license under the Act authorizing it to do so. If Respondent is contacted by an Idaho consumer previously contacted by Respondent, Respondent is to promptly inform the consumer that is no longer responsible for collecting the debt. Any such contact shall not be considered in violation of this Consent Order.

18. Respondent agrees to pay to the Department the sum of twenty five thousand (\$25,000) as an administrative penalty in settlement of the violations contained herein, by no later than July 23, 2013.

19. Respondent does not have a pending application for a license, but agrees that before it undertakes any collection activities in Idaho, it will obtain an Idaho collection agency license.

20. The Department agrees not to seek further penalties or fees from Respondent for the violations addressed in this Consent Order, other than as set forth in paragraph 18 above, if Respondent timely and fully complies with all provisions of this Consent Order.

21. 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.

22. Respondent acknowledges and understands that should the Department learn of actions other than those identified in this Consent Order, which the Department determines to be violations by Respondent of the Act, rules promulgated under the Act, or applicable federal laws and regulations relating to Respondent's collection activities in Idaho, the Department may pursue further legal action and seek additional remedies. However, this Consent Order resolves all pending complaints to the Department regarding Respondent, inclusive of any alleged Federal

or State claims brought, withdrawn and/or dismissed by any Idaho resident referenced in paragraph 9.

DATED this 18th day of July, 2013.

G. REYNOLDS SIMS AND ASSOCIATES P.C.

By: G. Reynolds

Title: President

DATED this 22nd day of July, 2013.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 22nd day of July, 2013.



STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
GAVIN M. GEE
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of July, 2013, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

G. Reynolds Sims and Associates
2075 West Big Beaver Road, Suite 200
Troy, MI 48084

U.S. mail, postage prepaid
 Certified mail
 Facsimile: (215) 526-2618
 Email:

Paralegal

