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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.)

AUTOMATED COLLECTION)
SYSTEMS, INC., d/b/a RECEIVABLES)
MANAGEMENT, INC., a Michigan)
corporation,)

Respondent.)

Docket No. 2010-9-13

CONSENT ORDER

The Director of the State of Idaho, Department of Finance, Consumer Finance Bureau (Director) has conducted a review of the Idaho collection activities of AUTOMATED COLLECTION SYSTEMS, INC., d/b/a RECEIVABLES MANAGEMENT, INC. (the Respondent). Pursuant to such review, it appears to the Director that the Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the 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. The Respondent voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. The Respondent was formed as a Michigan corporation on March 8, 1988. The Respondent conducts business as a collection agency in Idaho from 23800 West Ten Mile Road, Suite 150, Southfield, Michigan 48033. The Respondent's President/CEO is Arthur A. Nitzsche.

FACTS

2. On July 20, 2007, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) issued to the Respondent Idaho Collection Agency License No. CCA 7020, authorizing it to engage in collection activities in Idaho. The license continued in effect through March 15, 2010.

3. Idaho Code § 26-2231(1), and –(2) provide that a collection agency licensee must file with the Director a license renewal form providing complete information as required by the Director, and pay a \$100 fee by March 15th each year. Failure to do so results in the automatic expiration of the license as of March 15th of the applicable year.

4. The Respondent failed to renew its Idaho collection agency license by March 15, 2010.

5. On March 24, 2010, the Department notified the Respondent that on March 15, 2010, the Respondent's Idaho Collection Agency License No. CCA 7020 was cancelled by operation of law, due to the Respondent's failure to comply with the renewal requirements of the Act by March 15, 2010. That letter also notified the Respondent that it was prohibited from engaging in collection agency activities without holding the license required by the Act.

6. On or about June 5, 2010, the Department received an application for an Idaho collection agency license submitted by the Respondent. A Department licensing staff member who reviewed the Respondent's licensing application determined that the application was not complete.

7. On July 19, 2010, a Department staff member notified the Respondent via e-mail that its licensing application was incomplete, and requested that the Respondent provide additional information, to include detailed information concerning the extent of its unlicensed collection activity in Idaho from March 16, 2010 to the date of that request. The Department's July 19, 2010 Deficient Application Notice informed the Respondent that the information set forth in the Notice needed to be received by the Department within thirty (30) days of the Notice, in order to avoid denial of the Respondent's application.

8. On August 16, 2010, the Respondent e-mailed the Department and requested a two (2) week extension for the submission of the information needed by the Department to process the Respondent's application. On August 16, 2010, the Department replied to the Respondent's e-mail and granted the Respondent's two (2) week extension request.

9. On August 30, 2010, the Department received the remaining license application information it had requested from the Respondent. The information provided by the Respondent showed that the Respondent had continued to collect in Idaho during the period from March 16, 2010 to at least August 24, 2010. The Respondent's unlicensed collection activities in Idaho between March 16, 2010 and August 24, 2010 involved 402 collection contacts directed to Idaho residents for which the Respondent held collection accounts.

FINDINGS

ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO

10. The allegations set forth in paragraphs 1 through 9 above are fully incorporated herein by this reference.

11. 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 . . . 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.

...

12. “Collection agency” is defined in Idaho Code § 26-2222(4) as any person who engages in the activities set forth in Idaho Code § 26-2223(2).

13. “Collection activities” is defined in Idaho Code § 26-2222(3) as including the activities set forth in Idaho Code § 26-2223(2).

14. The Respondent’s acts of acting as a collection agency and engaging in collection activities in Idaho without the license required by the Act, as referenced in paragraph 9 above, constitute violations of Idaho Code § 26-2223(1) and –(2).

REMEDIES

15. The Respondent admits to violating Idaho Code § 26-2223(1) and –(2) by operating as a collection agency in Idaho and collecting or receiving payments for others of any account, bill, claim or other indebtedness, while not licensed under the Act.

16. The Respondent agrees to immediately cease and desist from engaging in any and all collection activities in Idaho, to include 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.

17. The Respondent agrees to pay to the Department by no later than October 29, 2010 the sum of ten thousand dollars (\$10,000) as an administrative penalty in settlement of the violations contained herein, and an additional amount of one thousand dollars (\$1,000) constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of eleven thousand dollars (\$11,000).

18. When the Respondent has executed this Consent Order and timely paid to the Department the sums set forth in paragraph 17 of this Consent Order, the Department agrees to continue the processing of the licensing application submitted by the Respondent, and further agrees that it will not use this Consent Order as the basis for denial of the Respondent's licensing application. Should the Respondent fail to timely pay the sums set forth in paragraph 17 of this Consent Order, such failure shall be deemed a breach of this Consent Order, and the Department will pursue whatever legal action it deems appropriate.

19. The Respondent agrees to comply with all provisions of the Idaho Collection Agency Act, rules promulgated thereunder, and relevant federal law and regulations at all times in the future.

20. The Department agrees not to seek further penalties or fees from the Respondent for the violations addressed in this Consent Order, other than as set forth in paragraph 17 above.

21. The 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. The Respondent acknowledges and understands that should the Department learn of additional violations by the Respondent of the Act, rules promulgated under the Act, or applicable federal laws and regulations relating to the Respondent's collection activities in Idaho, the Department may pursue further legal action and seek additional remedies.

DATED this 25TH day of OCTOBER, 2010.

AUTOMATED COLLECTION SYSTEMS, INC., d/b/a/
RECEIVABLES MANAGEMENT, INC.

By: *Arthur W. Stejske*

Title: PRESIDENT/CEO

DATED this 26TH day of October, 2010.

STATE OF IDAHO
DEPARTMENT OF FINANCE

Michael Larsen

MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 26TH day of OCTOBER, 2010.



STATE OF IDAHO
DEPARTMENT OF FINANCE

Gavin M. Gee

GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 27 day of October, 2010, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

Automated Collection Systems, Inc.,
dba Receivables Management, Inc.
Attn: Arthur A. Nitzsche
23800 W. Ten Mile Rd., Suite 150
Southfield, MI 48033

- U.S. mail, postage prepaid
- Certified mail
- Facsimile:
- Email



Paralegal