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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.)
)
CONTEGO LAW, P.C.,)
)
Respondent.)
_____)

Docket No. 2009-9-18

CONSENT ORDER

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho debt and credit counseling activities of Contego Law, P.C. (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 voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. Respondent is a California professional corporation providing debt management services to consumers, which services constitute debt and credit counseling activity under the Act. Respondent conducts its debt management business from 220 Newport Center Drive, Suite 11-646, Newport Beach, California 92660. Jason Brian Cruz is represented as Respondent's registered agent on the California Secretary of State's website.

2. Respondent purports that it assists clients in settling debt owed to creditors.

3. Respondent has not been issued a license under the Idaho Collection Agency Act and is not exempt from the licensing requirements of that act.

FACTS

4. On or about April 2, 2009, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) received an inquiry from an Idaho licensed collection agency regarding the licensing status of Respondent. Upon further investigation, the Department discovered that Respondent was conducting unlicensed debt or credit counseling activity in Idaho.

5. After receiving the inquiry from the Idaho licensee and noting that Respondent had not been issued a license under the Act, on April 13, 2009 the Department informed Respondent of its apparent unlicensed debt and credit counseling activity in Idaho, and commenced an investigation concerning such activity. Respondent responded to the Department's request for information.

6. Respondent represented in an email dated April 28, 2009, and attachments to that email, that it had contracted with thirty-seven (37) Idaho residents; received \$44,116.63 in fees from such Idaho clients; asserted that it would provide its services to such Idaho clients free of

charge if the client wished to continue utilizing Respondent's services; that it would make a full refund to its Idaho clients; and promised to not conduct future business in the state of Idaho.

FINDINGS OF VIOLATION

UNLICENSED DEBT COUNSELING OR CREDIT COUNSELING ACTIVITY

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

8. Idaho Code § 26-2222(9) defines "debt counselor" or "credit counselor" as "any person engaged in any of the activities enumerated in subsection (7) of section 26-2223" of the Act.

9. Idaho Code § 26-2223(7) provides 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:

...

(7) Engage or offer to engage in this state ... in the business of providing counseling or other services to debtors in the management of their debts, or contracting with the debtor to effect the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.

10. Respondent's acts of engaging in debt or credit counseling activity in Idaho without a license, as referenced in paragraphs 4 through 6 above, constitute violations of Idaho Code § 26-2223(7).

REMEDIES

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

12. Respondent agrees to refund to its thirty-seven (37) Idaho clients the amount of \$44,116.63, constituting fees collected from such Idaho clients who used Respondent's services while it failed to maintain the license required under the Act. Respondent shall fully refund fees paid to it to at least twelve (12) of its Idaho clients by no later than January 15, 2010; Respondent

shall fully refund fees paid to it to at least an additional twelve (12) of its Idaho clients by no later than February 15, 2010; and Respondent shall fully refund fees paid to it to all remaining Idaho clients by no later than March 15, 2010. Respondent agrees to prepare a letter addressed to such Idaho clients which shall accompany Respondent's restitution payments to such clients. The form and content of such letter shall be approved by the Department prior to its mailing. Respondent shall also provide proof to the Department by no later than March 31, 2010 that the restitution payments required by this paragraph have been made to Respondent's Idaho clients, in a manner and form which is acceptable to the Department. At the minimum, this proof shall consist of copies of cancelled checks that were mailed to Respondent's Idaho clients.

13. Upon the execution of this Consent Order, Respondent agrees to pay to the Department an administrative penalty in the amount of \$1,000, and the amount of \$500 for investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department for penalties, fees and expenses in the amount of \$1,500.

14. Respondent agrees to comply with 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 restitution, penalties or fees for the violations identified in this Consent Order other than as set forth in paragraphs 12 and 13 above, so long as Respondent fully complies with the terms of this Consent Order. If the Department later determines that the information provided by Respondent regarding the fees and

compensation it has received from its Idaho clients while unlicensed under the Act is inaccurate, the Department may seek further client restitution, penalties, and other appropriate remedies from Respondent.

18. 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 10th day of December, 2009.

CONTEGO LAW, P.C.

By: [Signature]
Jason B. Cruz, President
Title

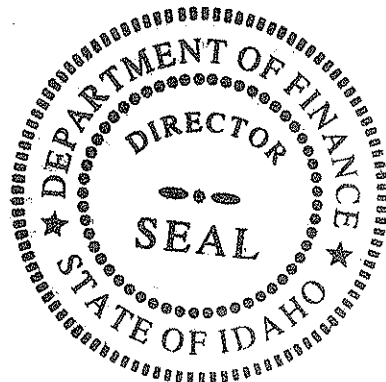
DATED this 11th day of December, 2009.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 14th day of December, 2009.



STATE OF IDAHO
DEPARTMENT OF FINANCE


[Signature]
GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16 day of December, 2009, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

Contego Law, P.C.
Attn: Jason B. Cruz
220 Newport Center Drive, Suite 11-646
Newport Beach, CA 92660

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



Paralegal