

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) 332-8092
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,

Complainant,

vs.

NATIONWIDE COLLECTIONS,

Respondent.

Docket No. 2018-9-03

ORDER TO CEASE AND DESIST

The State of Idaho, Department of Finance (Department), pursuant to the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act), hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to § 26-2244(1) of the Act, requiring NATIONWIDE COLLECTIONS (Respondent), to immediately cease and desist from violating the Act.

RESPONDENT

1. Respondent is an entity that operates as a third-party collection agency from 15325 ½ Bellflower Blvd, Unit 9 Bellflower, California 90706. A Department Investigator conducted an

investigation to ascertain Respondent's exact physical location, as well as other possible identifying information, including any email addresses, websites, or managing members.

2. The Investigator obtained from the Los Angeles County Recorder's Office a Fictitious Business Name Statement filed on behalf of Respondent. The Fictitious Business Name Statement listed the registered owner of Respondent as Multi Services & Solutions Inc. located at 9454 Harvard Street in Bellflower, California 90706.

3. The Investigator also obtained a Statement of Information filed by Multi Services & Solutions Inc. with the California Secretary of State's Office on August 21, 2015. This document listed Ronald Holmes of 601 S. San Pedro Street, Los Angeles, California 90014, as President, Patricia Thrower of 9578 Pacific Ave., Bellflower, California 90706, as Secretary, and Maurice Thrower of 9578 Pacific Ave., Bellflower, California 90706, as Chief Financial Officer. Respondent has used the following phone numbers to contact Idaho residents: (526) 866-4540 and (526) 866-4595. Respondent has accepted mail at P.O. Box 77, Bellflower, California 90707-0077.

4. Respondent has not held an Idaho license under the Act, which would authorize it to engage in the business of debt collection in Idaho.

FACTUAL ALLEGATIONS

5. On December 11, 2017, the Department received a formal complaint from Idaho resident, CAB, regarding Respondent's collection activity against her.

6. In her complaint, CAB indicated that a representative of Respondent contacted her by telephone on December 4, 2017, stating that it was attempting to collect a debt on behalf of a company that claimed CAB failed to pay for products she purchased from the company. CAB also

stated in her complaint that she told Respondent she already paid the debt several years earlier and Respondent claimed that it was a different debt for the same company¹.

7. CAB further indicated that the representative told her if she did not pay the debt, she would be “served papers, have to go to court, and would be reported to the credit bureau.” CAB’s complaint stated that she contacted the Department by phone after talking to Respondent’s representative to discuss the matter and she sent a letter to Respondent requesting detailed information about the alleged debt CAB owed.

8. CAB stated that she received a subsequent call from Respondent on December 11, 2017, asking why she had not sent in money for the debt, and CAB told Respondent she sent a letter to Respondent after the first call requesting more information about the debt and was waiting for receipt of that information. The Respondent’s representative, Emily, told CAB that she was not required to provide the information as she was just a “courtesy caller,” and that she was going to proceed with filing a court action to collect the debt and would be reporting the debt to the collection bureaus. CAB again contacted the Department by phone regarding this communication with Respondent and filed a formal written complaint with the Department on the same date.

9. On or around December 11, 2017, a Department representative attempted to reach Emily by phone regarding Respondent’s collection activity against CAB. After the Department’s attempted contact with Emily, CAB received a voice mail message from Emily, stating that someone from the Department was requesting to speak with her directly, but she was not “obligated to talk to anyone” about CAB’s debt. Emily told CAB that she had proceeded with filing a court action and reporting the debt to the credit bureaus and told CAB “good luck.”

¹ According to CAB, the Better Business Bureau informed her that the company, which claimed she owed the original debt, had a “government action against” it.

10. On December 29, 2017, the Department sent a certified stop-letter to Respondent regarding its unlicensed debt collection activity. In that letter, the Department requested all of its documents relating to the assignment of the debt against CAB. The Department also required Respondent to cease all collection activities in Idaho and to provide information necessary for the Department to determine the extent of Respondent's unlicensed debt collection activities in Idaho. Further, that letter advised Respondent of the license requirement for engaging in collection activities regulated under the Act in Idaho, and informed Respondent of the possible sanctions under the Act for unlicensed activity. The letter also informed Respondent of the process for obtaining a license. The Department required that Respondent provide all of the requested information by January 12, 2018, but Respondent failed to respond.

11. On January 30, 2018, the Department sent a second certified stop-letter, along with a copy of the letter dated December 29, 2017, requesting that Respondent respond by February 9, 2018, to Respondent's alleged unlicensed third-party collection activities in Idaho. The return receipt showed that someone signed for the letter as "E. Warren" on February 8, 2018.

12. On May 8, 2018, a Department representative attempted to contact Respondent via email in a final attempt to obtain a reply to Respondent's unlicensed collection activities against CAB and to assist CAB in obtaining verification of the debt Respondent alleged CAB owed. The email was returned as undeliverable.

13. Two days later, the Department representative contacted CAB to find out whether she had continued to receive communications from Respondent and to see if CAB ever received a verification of the alleged debt from Respondent. CAB indicated, at that time, she had not received any other calls from Respondent and she never received verification of the debt. On May 14, 2018, the Department closed CAB's complaint file.

14. On July 13, 2018, the Department received another complaint against Respondent from Idaho resident, MMM, regarding Respondent's collection activity against her.

15. MMM included with her complaint a copy of a personal check she made out to Respondent. MMM stated that she sent the check to Respondent after Respondent left her messages claiming she owed money to a company from several years earlier. The check was deposited at a national bank in Bellflower, California.

16. On August 4, 2018, the Department received a third complaint against Respondent from Idaho citizen, JM, regarding Respondent's collection attempts against her. JM indicated that Respondent left a message for her stating that she had been "turned over to collections." JM stated that in subsequent conversations with Respondent's representative, Carol, Carol became agitated and would not tell JM from where the alleged debt originated. Carol told JM that she would receive a letter within 30 days and she would need to respond to the directions in that letter. JM claimed that in the same phone call, Carol ended the conversation by hanging up on her, but not before saying, "Got that? Good luck."

17. To date, the Respondent has failed to file an application for licensure with the Department.

18. Based on information provided to the Department and described above, the Respondent has engaged in debt collection activity in Idaho and is not licensed, in violation of the Act.

CONCLUSIONS OF LAW AND VIOLATIONS

UNLICENSED COLLECTION ACTIVITY IN IDAHO

19. The allegations set forth in paragraphs 1 through 18 above are fully incorporated herein by this reference.

20. Idaho Code § 26-2223 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:

(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.

21. “Collection activities” is defined in Idaho Code § 26-2222(3) as the activities enumerated in Idaho Code § 26-2223.

22. The 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). Each contact of Idaho residents by the Respondent for the purposes of collection constitutes a separate violation.

REQUESTED RELIEF

23. Idaho Code § 26-2244(1) provides that whenever it appears to the Director that it is in the public interest, he may order any person to cease and desist from acts, practices, or omissions which constitute a violation of the Act.

ORDER

The Director, having reviewed the foregoing, good cause being shown, and the public interest being served thereby,

NOW, THEREFORE, the Director HEREBY FINDS that the Respondent has violated the Idaho Collection Agency Act as set forth above.

Pursuant to Idaho Code § 26-2244(1), IT IS HEREBY ORDERED that the Respondent and its agents and employees immediately CEASE AND DESIST from acts, practices, or omissions which constitute a violation of the Act, including specifically from engaging in collection activity in Idaho without the license required by the Act.

This ORDER TO CEASE AND DESIST is effective upon issuance.

IT IS SO ORDERED.

DATED this 23RD day of OCTOBER, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE, Director

NOTICE

The Respondent is HEREBY NOTIFIED that this ORDER TO CEASE AND DESIST is a final order of the Director.

The Respondent may file a motion for reconsideration or request for hearing concerning this final order within fourteen (14) days of the service date of this order. Any such motion for reconsideration or request for hearing must be in writing, addressed to:

Anthony Polidori
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of such motion for reconsideration or request for a hearing shall also be served on the Department's counsel, Brian D. Nicholas, Deputy Attorney General, at the same address.

The Department will dispose of a motion for reconsideration within twenty-one (21) days of the receipt of a motion for reconsideration, or the motion will be considered denied by operation of law. Idaho Code § 67-5246(4); Idaho Rules of Administrative Procedure of the Attorney General (IRAP) at IDAPA 4.11.01.740.02.a. Should the Respondent make a timely request for a hearing, the Department shall schedule a hearing within the twenty-one (21) day time period.

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal to the district court by filing a petition in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

See IDAPA 04.11.01.740.02.b.

An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration or schedule a hearing, whichever is later. See Idaho Code § 67-5273. The filing of an appeal to the district court does not itself stay the effectiveness or enforcement of the order under appeal. See IDAPA 04.11.01.740.02.c.

