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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.

WESTHILL EXCHANGE, LLC,

Respondent.

Docket No. 2015-9-04

**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 WESTHILL EXCHANGE, LLC (the Respondent), to immediately cease and desist from violating the Act.

**RESPONDENT**

1. Respondent was formed by Tim P. Grant as a Colorado limited liability company on August 5, 2009. From information filed with the Colorado Secretary of State, the Respondent

lists its principal address as 2851 South Parker Road, Suite 310, Aurora, Colorado 80041. The Respondent also conducts a third party collection agency business from 5321 South Dewberry Lane, West Valley City, Utah, 84118. Chris Knutz is the Respondent's registered agent.

### FACTUAL ALLEGATIONS

2. Respondent has never held an Idaho collection agency license.
3. On November 12, 2014, the Department received a complaint from Idaho resident, NL, regarding Respondent's collection activity against him.
4. In his complaint, NL indicated that a representative of the Respondent contacted him stating that the Respondent was attempting to collect on a debt on behalf of a payday/installment loan company. NL also indicated that the representative further threatened to sue him by forwarding "bad check" charges to the county in which NL lived.
5. During the same phone call, the representative also explained to NL that the debt had been purchased from the payday/installment loan company by two debt buyers and that the first debt buyer had sold the debt to a second debt buyer, which then assigned the debt to the Respondent for collection.
6. NL contacted the second debt buyer and confirmed that it had purchased the debt from another debt buyer. The second debt buyer also confirmed that it had assigned the debt to the Respondent for collection and made the claim that the Respondent was a licensed collection agency. In NL's complaint, he states that after his call to the second debt buyer, he called the Respondent back and the Respondent's representative told him "that if I pursued this any more [*sic*] they would just forward it to there [*sic*] attorney to sue me and throw me in jail." NL said that he was very worried about the situation and agreed to a payment arrangement with the Respondent.

7. Between August 15, 2014, and November 15, 2014, four monthly payments of \$300 had been electronically debited from NL's credit card for payment to the Respondent. According to email exchanges between NL and Chris Knutz, the Respondent's registered agent, this \$300/month payment arrangement was to continue until the full balance of \$2,613.11 was received by the Respondent.

8. On November 25, 2014, the Department sent a letter to the 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 NL. The Department also required the Respondent to cease all collection activities in Idaho and to provide information necessary for the Department to determine the extent of the Respondent's unlicensed debt collection activities in Idaho. Further, that letter advised the Respondent of the license requirement for engaging in collection activities regulated under the Act in Idaho, and informed the Respondent of the possible sanctions under the Act for unlicensed activity. The letter also informed the Respondent of the process for obtaining a license. The Department required that the Respondent provide all of the requested information by December 16, 2014.

9. On December 4, 2014, a Department staff member received a voice mail message from the Respondent's founder, Tim Grant, inquiring about licensure. The Department staff member returned Mr. Grant's call and guided him to the Department's licensure forms and instructions. Mr. Grant indicated that the Respondent would submit an application for licensure.

10. On December 8, 2014, the Department received a letter response from Mr. Grant regarding NL's complaint. Mr. Grant indicated in his response that he was "surprised" to hear that NL felt threatened by the Respondent and that there was "no talk of legal action against" NL. He further stated that his impression of the situation was that the communications between the Respondent's representatives and NL were "pleasant and voluntary."

11. Mr. Grant also provided an account record/communication log representing the Respondent's contacts with NL, which first occurred on August 7, 2014. The Respondent failed, however, to provide a list of its Idaho collection activity.

12. On January 9, 2015, the Department sent a second letter to the Respondent, once again requesting a list of the Respondent's collection activity in Idaho. The letter also required the Respondent to submit its application for licensure by January 30, 2015, in order to resolve the issues related to the Respondent's unlicensed collection activity and its position regarding the matter. To date, the Department has received no further communication from the Respondent.

13. 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*

14. The allegations set forth in paragraphs 1 through 13 above are fully incorporated herein by this reference.

15. 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.

16. "Collection activities" is defined in Idaho Code § 26-2222(3) as the activities enumerated in Idaho Code § 26-2223.

17. Respondent's acts of engaging in collection activities in Idaho without a license, as referenced in paragraphs 2 through 13 above, constitute violations of Idaho Code § 26-

2223(1) and -(2). Each contact of Idaho residents by Respondent for the purposes of collection constitutes a separate violation.

**REQUESTED RELIEF**

18. 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 Respondent has violated the Idaho Collection Agency Act as set forth above.

Pursuant to Idaho Code § 26-2244(1), IT IS HEREBY ORDERED that 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 7<sup>TH</sup> day of MAY, 2015.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
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GAVIN M. GEE, Director

## NOTICE

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

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:

Michael Larsen  
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 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.

CERTIFICATE OF SERVICE

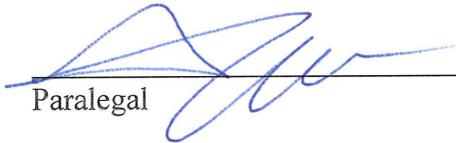
I HEREBY CERTIFY that on this 8<sup>th</sup> day of May, 2015, I caused a true and correct copy of the foregoing fully-executed ORDER TO CEASE AND DESIST to be served on the following by the designated means:

Westhill Exchange, LLC  
Attn: Tim Grant and/or Chris Knutz  
5321 S Dewberry Lane  
West Valley City, UT 84118

U.S. mail, postage prepaid  
 certified mail  
 facsimile:  
 email: ck@westhillfinancial.com

Westhill Exchange, LLC  
Attn: Tim Grant and/or Chris Knutz  
2851 South Parker Road, Suite 310,  
Aurora, CO 80041

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

  
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Paralegal