



STATE OF IDAHO
DEPARTMENT OF FINANCE
700 W. STATE STREET, 2ND FLOOR
P. O. BOX 83720
BOISE ID 83720-0031

Contact: Michael Larsen, Bureau Chief
Consumer Finance Bureau
(208) 332-8060

NEWS RELEASE

FOR IMMEDIATE RELEASE

May 3, 2004

IDAHO SUPREME COURT OVERTURNS LOWER COURT AND RULES THAT UTAH COLLECTION AGENCY MUST OBTAIN IDAHO PERMIT

BOISE, IDAHO – Gavin Gee, Director of the Idaho Department of Finance, announced today that the Idaho Supreme Court has reversed a Fourth District Court ruling which would have allowed a Utah collection company, PurCo Fleet Services, Inc., to operate in Idaho without an Idaho collection agency permit.

The unanimous decision, issued by the Court on April 29th, reinstates a Cease and Desist Order issued by the Department of Finance against PurCo on July 1, 2002, in which PurCo was ordered to cease collection activities in Idaho without a permit.

Gee said the Cease and Desist Order was issued against PurCo after PurCo rejected the Department's interpretation of law and refused to obtain an Idaho collection agency permit. PurCo conducted collection activities in Idaho on behalf of a rental car company without first obtaining an Idaho collection agency permit, according to Gee.

After the Department of Finance ordered PurCo to cease collection activities in Idaho without a permit, PurCo appealed to the Fourth District Court, which ruled in favor of PurCo. The Department then appealed to the Supreme Court. "We appealed to Idaho's highest court because out-of-state collection companies should be subject to the same laws as Idaho-based collection companies and because Idaho consumers are entitled to the protections of the Idaho Collection Agency Act," said Gee. "The Court's decision upholds our stance against companies seeking to avoid consumer protection laws on technical legal arguments," said Gee.

The Idaho Department of Finance is charged with enforcing the Idaho Collection Agency Act, which requires a permit and prohibits abusive collection tactics by those engaged in the business of collecting debts on behalf of others in Idaho.

The Court's PurCo decision is available on the Internet at: www.isc.idaho.gov/opinions/pfsi.pdf

###

Department of Finance press releases and other information are available on the Internet via the world wide web at <http://www.idahofinance.com> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.