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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. )  
ARMADA CORP., a Washington )  
corporation, )  
Respondent. )

Docket No. 2010-9-08

**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 ARMADA CORP. (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 Respondent maintains that such violations were inadvertent. 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 Washington corporation on December 7, 1956. The Respondent conducts business as a collection agency in Idaho from 93 Eastmont Avenue, Suite 100, East Wenatchee, Washington 98802. The Respondent's president and CEO is Timothy Richard Carson.

### **FACTS**

2. The Respondent maintains collection agency licenses issued by both the State of Washington and the State of Oregon.

3. From August 30, 1994 through March 15, 2009, the Respondent held Idaho Collection Agency License No. CCA 3401 authorizing it to engage in collection activities in Idaho.

4. 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 15, of the applicable year.

5. The Respondent failed to renew its Idaho collection agency license by March 15, 2009. The Respondent maintains that such failure was inadvertent.

6. On March 24, 2009, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) notified the Respondent that Idaho Collection Agency License No. CCA 3401 was cancelled by operation of law on March 16, 2009 due to the Respondent's failure to comply with the renewal requirements of the Act by March 15, 2009. That letter also notified

the Respondent that it was prohibited from engaging in collection agency activities without a license issued under the Act.

7. On August 31, 2009 the Respondent submitted to the Department an application for an Idaho collection agency license.

8. After review of the Respondent's August 31, 2009 license application, on September 9, 2009, the Department sent the Respondent a notice listing deficiencies contained in its license application. The Department gave the Respondent sixty (60) days to cure the deficiencies contained in its license application; however, the Respondent failed to respond to such deficiency notice.

9. On March 1, 2010, the Department sent to the Respondent a second deficiency notice. The Respondent provided a response to the Department's second deficiency notice on March 24, 2010. Such response contained information indicating that the Respondent had continued collecting against Idaho residents since its Idaho collection agency license was cancelled for failure to renew on March 15, 2009. The Respondent maintains that such continued collection activities in Idaho and failure to renew its Idaho collection agency license were inadvertent oversights on its part.

10. On May 20, 2010, the Department requested that the Respondent provide additional details regarding its March 24, 2010 response, including specifically information concerning the Respondent's unlicensed collection activity in Idaho since its license had been cancelled. The Respondent timely complied with that request.

11. The Department concluded from the information provided by the Respondent that the Respondent had engaged in collection activities in Idaho against numerous Idaho residents

since March 16, 2009, while not holding the license required by the Act. The Respondent maintains that such unlicensed collection activities were inadvertent.

## FINDINGS

### *ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO*

12. The allegations set forth in paragraphs 1 through 11 above are fully incorporated herein by this reference.

13. 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.

...

14. “Collection agency” means a person who engages in any of the activities enumerated in subsections (2) through (6) of Idaho Code § 26-2223, which are enumerated in the previous paragraph, in pertinent part.

15. The Respondent’s acts of engaging in collection activities in Idaho without a license, as referenced in paragraphs 9 through 11 above, constitute violations of Idaho Code § 26-2223(1) and –(2), as set forth in paragraphs 13 and 14 above.

## REMEDIES

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

17. 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.

18. The Respondent agrees to pay to the Department the sum of fifteen thousand dollars (\$15,000) 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 sixteen thousand dollars (\$16,000).

19. When the Respondent has executed this Consent Order and made the sixteen thousand dollar (\$16,000) payment due by no later than September 1, 2010, the Department agrees to accept and consider a licensing application submitted by the Respondent, and that it will not use this Consent Order the basis for denial of the Respondent's licensing application.

20. 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.

21. 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 18 above.

22. 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.

23. 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 31<sup>ST</sup> day of August, 2010.

ARMADA CORP.

By: Timothy R Carson

Title: President

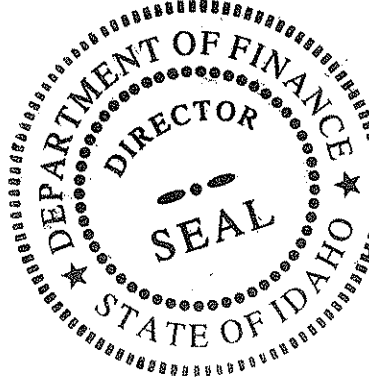
DATED this 2nd day of September, 2010.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature] on behalf of Michael Larsen  
MICHAEL LARSEN  
Consumer Finance Bureau Chief

**IT IS SO ORDERED.**

DATED this 9 day of September, 2010.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature]  
GAVIN M. GEE  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 9 day of September, 2010, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

Armada Corp.	<input checked="" type="checkbox"/>	U.S. mail, postage prepaid
Attn: Timothy Richard Carson, President	<input type="checkbox"/>	Certified mail
PO Box 709	<input type="checkbox"/>	Facsimile: (509) 884-8020
Wenatchee, WA 98807-0709	<input type="checkbox"/>	Email: <a href="mailto:tcarson@armadacorp.com">tcarson@armadacorp.com</a>

  
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Paralegal