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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,)

Docket No. 2010-9-04

Complainant,)

ORDER TO CEASE AND DESIST

vs.)

CONTINENTAL CREDIT)
ASSOCIATION, INC., an Oregon)
corporation,)

Respondent.)
_____)

The State of Idaho, Department of Finance, Consumer Finance Bureau (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) and 26-2228(4) of the Act and § 67-5247 of the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*, requiring CONTINENTAL CREDIT ASSOCIATION, INC. to immediately cease and desist from violating the Act, to include engaging in unlicensed collection activity in Idaho.

RESPONDENT

1. CONTINENTAL CREDIT ASSOCIATION, INC. (the Respondent) conducts business as a collection agency. The Respondent was formed on November 1, 1972 as an Oregon corporation under a different name, establishing its current name in 1976. The Oregon Secretary of State's Corporation Division lists the Respondent's business address as 9828 E. Burnside, Suite 225, Portland, Oregon 97216. L. W. Garrison is the Respondent's president.

2. The Respondent is licensed as a collection agency in Oregon, holding Oregon Collection Agency License No. 40010. However, the Respondent has never held a collection agency license issued by the Department, authorizing it to engage in collection activities in Idaho.

FACTUAL ALLEGATIONS

3. In or around September 2009, Idaho resident R.V. received a telephone call at his home in Idaho from a representative of the Respondent, attempting to collect on a debt purportedly owed to Idaho fitness company by R.V. and/or his spouse.

4. After the Respondent's collection telephone call to R.V., it sent a later dated September 3, 2009 addressed to R.V., demanding payment of \$403.06 on the debt owed to the fitness company. Such letter advised R.V. that the account may be referred to an attorney for legal action, and that the Respondent may report the "past due amount" to a national credit reporting service.

5. The Respondent sent several other collection notices to R.V., all of which were dated October 19, 2009. In such notices, the Respondent stated that the debt allegedly owned by R.V. was "marked today ... for reporting to a national credit bureau." Another of the notices threatened legal action against R.V. The October 19, 2009 notices had added \$42.32 in interest

to the amount sought in the Respondent's letter to R.V. dated September 3, 2009, as referenced in paragraph 4 above.

6. In an attempt to rectify the situation, R.V. began communicating directly with the fitness company and informed the Respondent of this fact. A representative of the fitness company also informed the Respondent that it wished to work directly with R.V. The Respondent refused to refrain from collecting against R.V., unless R.V. pays a collection fee of \$167.20 to the Respondent.

7. As part of an investigation into the Respondent's apparent unlicensed collection activity in Idaho, a Department Investigator sent letters dated October 9, 2009 and November 2, 2009 to the Respondent, attempting to obtain information from the Respondent concerning its collection activities relating to R.V. The Respondent failed to respond to the Department's requests for information. When it became clear that the Respondent was refusing to respond to the Department's investigator's inquiries, the Department referred the matter to its attorney for legal action.

8. On February 19, 2010, an attorney representing the Department telephoned the Respondent at 1-503-231-6565 for the purpose of discussing the Respondent's apparent unlicensed collection activity in Idaho. The Department's attorney identified herself and her position, asked to speak with the Respondent's president, and stated that the purpose of the call was to discuss compliance with Idaho law. The woman who answered the telephone for the Respondent stated that the Respondent's president was out of the office. When the attorney asked to leave a message with the president requesting a return call, the Respondent's representative stated that it would be better for the Department's attorney to call back, and then abruptly hung up, after stating "Have a nice day."

CONCLUSIONS OF LAW AND VIOLATIONS

UNLICENSED COLLECTION ACTIVITY IN IDAHO

9. The allegations set forth in paragraphs 1 through 8 above are fully incorporated herein by this reference.

10. 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.

...

11. The Respondent's collection attempts in Idaho, as referenced in paragraphs 3 through 6 above, while the Respondent failed to hold a license under the Act authorizing it to engage in collection activities in Idaho, constituted violations of Idaho Code § 26-2223(1) and – (2). Each collection attempt constituted a separate violation.

REFUSAL TO COOPERATE WITH AN INVESTIGATION BY THE DEPARTMENT

12. Idaho Code § 26-2228(2) authorizes the Director of the State of Idaho, Department of Finance (Director) to conduct investigations as necessary to determine whether a person has violated any provision of the Act, a rule promulgated under the Act, or an order issued under the Act.

13. The Respondent's refusal to respond to communications from the Director in connection with its investigation of the Respondent's apparent violations of the Act, as referenced in paragraph 7 above, constitutes the refusal to cooperate with a Department investigation, within the meaning of Idaho Code § 26-2228(2).

DIRECTOR'S AUTHORITY

14. 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.

15. Idaho Code § 26-2228(2) authorizes the Director to conduct investigations as necessary to determine whether a person has violated any provision of the Act, a rule promulgated under the Act, or an order issued under the Act.

16.. Idaho Code § 67-5247(3) authorizes the Director to issue an order that is effective when issued, should he find that an immediate danger to the public health, safety, or welfare to of Idaho residents requires immediate action.

ORDER

The Director, having reviewed the foregoing and having determined that good cause has been shown; that the Respondent's violations of the Act require immediate action to protect Idaho residents; and that the public interest is 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) and 67-5247, IT IS HEREBY ORDERED that the Respondent and its agents and employees immediately CEASE AND DESIST from any further collection activities in Idaho; from any other conduct under the Act for which a license from the Director is required; and from any other violations of the Act.

This ORDER is EFFECTIVE UPON ISSUANCE.

IT IS SO ORDERED.

DATED this 22ND day of FEBRUARY, 2010.



STATE OF IDAHO
DEPARTMENT OF FINANCE

A handwritten signature in black ink, appearing to read "Gavin M. GEE", written over a horizontal line.

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:

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

A copy of the motion for reconsideration or request for a hearing shall also be served on the Department's counsel in this matter, A. René Martin, Deputy Attorney General, at the following address:

A. René Martin
Deputy Attorney General - Lead
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

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.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23 day of February, 2010, I served a true and correct copy of the foregoing ORDER TO CEASE AND DESIST upon the following by the designated means:

Continental Credit Association, Inc.
PO Box 16670
Portland, OR 97292


U.S. mail, postage prepaid
 Certified mail
 Facsimile

Continental Credit Association, Inc.
PO Box 16665
Portland, OR 97292

U.S. mail, postage prepaid
 Certified mail
 Facsimile

Continental Credit Association, Inc.
9828 E. Burnside, Suite 225
Portland, OR 97216

U.S. mail, postage prepaid
 Certified mail
 Facsimile



Paralegal