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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. )  
 )  
CreditOne, L.L.C., )  
 )  
Respondent. )  
\_\_\_\_\_ )

Docket No. 2010-9-03

**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 CreditOne, L.L.C. (the Respondent). Pursuant to such review, it appears to the Director that the Respondent has violated the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the Respondent have agreed to resolve this matter amicably through this Consent Order rather than through a formal administrative 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 is a limited liability company chartered and qualified to do business under Louisiana law in 1999. The Respondent engages in business as a debt buyer from its business address of 3619 18<sup>th</sup> Street, Metairie, Louisiana 70002. Suzanne O. Middleton is the Respondent's Chief Financial Officer.

## FACTS

2. On September 22, 2009, the State of Idaho, Department of Finance (Department) received a complaint from L.P., a resident of Filer, Idaho. L.P. reported that on September 17, 2009, she received a letter in the mail from the Respondent indicating that L.P. owed a debt which the Respondent had purchased and was collecting on. In her complaint, L.P. asserted that she was not liable for the debt referenced in the Respondent's collection letter of September 17, 2009.

3. After receiving the complaint from L.P. and noting that the Respondent failed to hold a license under the Act, on October 15, 2009 the Department commenced an investigation concerning the Respondent's apparent unlicensed collection activity in Idaho. As part of that investigation, the Department requested that the Respondent provide information concerning the extent of its unlicensed collection activity in Idaho. The Respondent cooperated with the Department and provided information in response to the Department's request.

4. The Respondent represented in a letter to the Department that it had purchased a portfolio of charged-off accounts receivable in August of 2009; that in September of 2009, an initial mailer notifying debtors that the Respondent had purchased their accounts inadvertently was sent to 11 Idaho residents; that the mailing error was determined upon the Department's October 15, 2009 notice; that the Respondent ceased all collection activities in Idaho until such

time as it becomes properly licensed under the Act; and that it has collected at least \$271.49 from one of such Idaho residents.

5. On November 23, 2009, the Respondent began the application process for the issuance of a license under the Act by filing a license application with the Department. The Respondent's license application is currently pending.

### FINDINGS OF VIOLATION

#### *ENGAGING IN COLLECTION ACTIVITIES IN IDAHO WITHOUT THE LICENSE REQUIRED BY THE ACT*

6. The allegations set forth in paragraphs 1 through 5 above are fully incorporated herein by this reference

7. 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:

...

(6) Engage or offer to engage in this state, directly or indirectly, in the business of collecting any form of indebtedness for that person's own account if the indebtedness was acquired from another person and if the indebtedness was either delinquent or in default at the time it was acquired.

....

8. As a debt buyer that purchased debt that was either delinquent or in default at the time it was purchased, Idaho Code § 26-2223(6) applies to the Respondent's collection activities in Idaho on such debt.

9. The Respondent's acts of engaging in collection activities in Idaho without the license required by the Act, as referenced above, constitute violations of Idaho Code § 26-2223(6).

## REMEDIES

10. The Respondent neither admits nor denies the allegations contained in this Consent Order.

11. Upon the execution of this Consent Order, the Respondent agrees to pay to the Department an administrative penalty in the amount of five thousand dollars (\$5,000), 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 six thousand dollars (\$6,000) in penalties, fees, and expenses.

12. Upon execution by the Respondent of this Consent Order and payment to the Department of the six thousand dollars (\$6,000) referenced in paragraph 11 above, the Department agrees to issue to the Respondent a collection agency license under the Act, provided that the Respondent has complied with all requirements for the issuance of such license under the Act.

13. The Respondent agrees to comply with all provisions of the Idaho Collection Agency Act and rules promulgated thereunder at all times in the future.

14. The Respondent agrees that the findings of fact and violations contained herein may be used in any subsequent proceeding by the Department resulting from any breach by the Respondent of the terms of this Consent Order or future violations of the Act, rules promulgated thereunder, or relevant federal laws and regulations by the Respondent.

15. The Department agrees not to seek further penalties or fees for the activities identified in this Consent Order other than as set forth in paragraph 11 above, as long as the Respondent fully complies with the terms of this Consent Order.

16. 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.

DATED this 4<sup>th</sup> day of MARCH, 2010.

CREDITONE, LLC

By: [Signature]

C.F.O.

Title

DATED this 9<sup>th</sup> day of MARCH, 2010.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature]

MICHAEL LARSEN  
Consumer Finance Bureau Chief

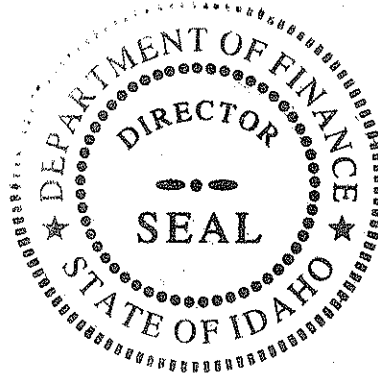
**IT IS SO ORDERED.**

DATED this 9<sup>th</sup> day of MARCH, 2010.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature]

GAVIN M. GEE, Director



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 9 day of March, 2010,  
I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be  
served on the following by the designated means:

CreditOne, L.L.C.  
Attn: Suzanne O. Middleton, CFO  
3619 18<sup>th</sup> Street  
PO Box 625  
Metairie, LA 70004-0625

U.S. mail, postage prepaid  
 certified mail  
 facsimile \_\_\_\_\_

W. Raley Alford  
STANLEY, REUTER, ROSS, THORNTON  
& ALFORD, L.L.C.  
909 Poydras Street, Suite 2500  
New Orleans, LA 70112

U.S. mail, postage prepaid  
 certified mail  
 email: [wra@stanleyreuter.com](mailto:wra@stanleyreuter.com)

  
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Paralegal