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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.)
CRESTWOOD MGMT LLC, a Delaware)
limited liability company,)
Respondent.)

Docket No. 2010-9-12

CONSENT ORDER

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho collection activities of CRESTWOOD MGMT LLC (the Respondent). Pursuant to such review, it appears to the Director that the Respondent failed to timely renew Idaho Collection Agency License No. CCA 7676 with the State of Idaho, Department of Finance, Consumer Finance Bureau (Department), and as a result, has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). 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 Delaware limited liability company on October 15, 2008. The Respondent conducts business as a collection agency in Idaho from 23550 Commerce Park Drive, Suite 5000, Beachwood, Ohio 44122. The Respondent's President and Manager is Jason W. Rayford.

FACTS

2. On June 22, 2009 the Department issued to the Respondent Idaho Collection Agency License No. CCA 7676, authorizing it to engage in collection activities in Idaho. The license continued in effect through March 15, 2010.

3. 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 15th of the applicable year.

4. The Respondent failed to renew its Idaho collection agency license by March 15, 2010.

5. On March 24, 2010, the Department mailed a letter to the Respondent notifying the Respondent that on March 15, 2010, Idaho Collection Agency License No. CCA 7676 was cancelled by operation of law, due to the Respondent's failure comply with the renewal requirements of the Act by March 15, 2010. That letter also notified the Respondent that it was prohibited from engaging in collection agency activities without holding the license required by the Act. The Respondent maintains that it did not receive the Department's letter.

6. The Respondent further maintains that it discovered that its Idaho collection agency license had lapsed through an internal review. The Respondent submitted an application for a new Idaho collection agency license to the Department on or about May 25, 2010.

7. On or about June 8, 2010, the Department received the Respondent's license application. A Department licensing staff member who reviewed the Respondent's licensing application determined that the application was not complete.

8. On June 29, 2010, a Department staff member notified the Respondent via e-mail that its licensing application was incomplete, and requested that the Respondent provide additional information, to include detailed information concerning the extent of its unlicensed collection activity in Idaho from March 16, 2010 to the date of that request. The Department's June 29, 2010 deficiency notice informed the Respondent that the information set forth in the notice needed to be received by the Department within thirty (30) days of the notice, in order to avoid denial of the Respondent's application.

9. On August 2, 2010, the Department received the remaining license application information it had requested from the Respondent. The information provided by the Respondent showed that the Respondent had continued to collect in Idaho during the period from March 16, 2010 to at least July 5, 2010. The Respondent did not have an Idaho collection agency license during that period, and therefore, the Respondent engaged in collection activities in Idaho while not licensed to do so.

FINDINGS

ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO

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

11. 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.

...

12. “Collection agency” is defined in Idaho Code § 26-2222(4) as any person who engages in the activities set forth in Idaho Code § 26-2223(2).

13. “Collection activities” is defined in Idaho Code § 26-2222(3) as including the activities set forth in Idaho Code § 26-2223(2).

14. The Respondent’s acts of acting as a collection agency and engaging in collection activities in Idaho after the expiration of its license and prior to applying for and receiving a new license constitute violations of Idaho Code § 26-2223(1) and –(2).

REMEDIES

15. The Respondent admits to violating Idaho Code § 26-2223(1) and –(2) by operating as a collection agency in Idaho while not licensed under the Act.

16. 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.

17. The Respondent agrees to pay to the Department by no later than December 15, 2010 the sum of ten thousand dollars (\$10,000) 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 eleven thousand dollars (\$11,000).

18. When the Respondent has executed this Consent Order and timely paid to the Department the sums set forth in paragraph 17 of this Consent Order, the Department agrees to continue the processing of the licensing application submitted by the Respondent, and further agrees that it will not use this Consent Order as the basis for denial of the Respondent's licensing application. Should the Respondent fail to timely pay the sums set forth in paragraph 17 of this Consent Order, such failure shall be deemed a breach of this Consent Order, and the Department will pursue whatever legal action it deems appropriate.

19. 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.

20. 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 17 above.

21. 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.

22. 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 14th day of December, 2010.

CRESTWOOD MGMT LLC

By: [Signature]

Title: President

DATED this 16th day of December, 2010.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
MICHAEL LARSEN

Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 16th day of DECEMBER, 2010.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
GAVIN M. GEE, Director




CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20 day of December, 2010, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

Jim Hovren
EVANS KEANE, LLP
PO Box 959
Boise, ID 83701-0959

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email



Paralegal