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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. 2011-9-03
)	
Complainant, )	
)	<b>CONSENT ORDER</b>
vs. )	
)	
DISCOUNT DEBT SOLUTIONS, INC., )	
)	
Respondent. )	

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho debt and credit counseling activities of DISCOUNT DEBT SOLUTIONS, INC. (the Respondent). Pursuant to said 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 Director and the Respondent have agreed to resolve this matter 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 was formed as a Florida corporation on February 10, 2003 and does business as a debt and credit counselor from 1645 Palm Beach Lakes Boulevard #490, West Palm Beach, Florida 33401. Jason Simons is the Respondent's president.

2. The Respondent has never been issued a license under the Idaho Collection Agency Act authorizing it to engage in debt and credit counseling activities in Idaho.

## FACTS

3. On or about November 2, 2009, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) received an inquiry from an Idaho resident concerning the Respondent's debt and credit counseling activities in Idaho. After receiving such inquiry, the Department searched its licensing records and learned that the Respondent has never been issued a license under the Act.

4. Beginning on or around November 16, 2009, and continuing until at least March 5, 2010, a Department staff member communicated with the Respondent concerning resolution of the complaint referenced in paragraph 3 above, and also questioned the Respondent as to the extent of its unlicensed debt and credit counseling activity in Idaho. In response, the Respondent provided the Department with a list of seven (7) Idaho consumers as to whom it had engaged in debt and credit counseling services. The Department requested that the Respondent refund to such Idaho consumers all moneys it had accepted in connection with its debt and credit counseling services provided to such Idaho consumers. The Respondent asserted that it complied fully with that request and provided documentation in support.

5. On March 17, 2010, the Respondent submitted to the Department an application for a license under the Act that would authorize it to engage in debt and credit counseling activities in Idaho. The Respondent resolved deficiencies in its license application on November 14, 2010.

6. In conjunction with its March 17, 2010 license application, on September 9, 2010 the Department requested, and the Respondent subsequently provided, a list of Idaho consumers as to whom it had engaged in debt or credit counseling activity while not licensed under the Act. Such list included the names of nineteen (19) Idaho consumers not included in the list of the seven (7) Idaho consumers referenced in paragraph 4 above. The list of nineteen (19) Idaho consumers showed that the Respondent had engaged in unlicensed debt and credit counseling activity in Idaho over a time period beginning in at least August of 2007 to at least September of 2010. The Respondent represented to the Department that the second list of its Idaho clients omitted the names of the seven (7) Idaho residents included on the first list it had submitted to the Department because it had already made full refunds to such customers and therefore considered those seven (7) cases closed. The list of nineteen (19) Idaho clients submitted to the Department by the Respondent showed that the Respondent had collected at least eight thousand three hundred thirty-four dollars (\$8,334) in monthly fees for its services from such Idaho consumers.

### **FINDINGS OF VIOLATION**

#### *UNLICENSED DEBT COUNSELING OR CREDIT COUNSELING ACTIVITY*

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

8. Idaho Code § 26-2222(9) defines “debt counselor” or “credit counselor” as “any person engaged in any of the activities enumerated in subsection (7) of section 26-2223” of the Act.

9. Idaho Code § 26-2223(7) 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:

...

(7) Engage or offer to engage in this state ... in the business of providing counseling or other services to debtors in the management of their debts, or contracting with the debtor to effect the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.

10. The Respondent’s acts of engaging in debt or credit counseling activity in Idaho without a license, as referenced in paragraphs 4 and 6 above, constitute violations of Idaho Code § 26-2223(7). At a minimum, debt or credit counseling services provided to each Idaho resident constitutes a separate violation.

#### REMEDIES

11. The Respondent admits to the allegations contained in this Consent Order.

12. The Respondent agrees to refund to the nineteen (19) Idaho consumers who used the Respondent’s debt and credit counseling services while it failed to maintain the license required under the Act, the sum of \$8,334.00, constituting fees it collected from such consumers, as referenced in paragraph 6 above. Further, the Respondent agrees to refund to its Idaho clients any moneys belonging to them which the Respondent is holding or over which it has control. Such refunds shall be paid in full by no later than April 19, 2011. The Respondent agrees to prepare a letter addressed to such Idaho clients which shall accompany the Respondent’s refunds to such clients. The form and content of such letter shall be submitted to and approved by the Department prior to its mailing. The Respondent shall also provide to the Department by no later

than May 6, 2011 an accounting of all refunds referenced in this paragraph that have been made to its Idaho clients.

13. The Respondent agrees that by no later than March 31, 2011, it shall provide written notice to all of its Idaho debt settlement clients that, *effective immediately*, it is no longer offering or engaging in debt settlement services to its Idaho clients, and, as such, such clients should close any accounts they maintained in connection with the Respondent's debt settlement services. The Respondent agrees that such written notice shall list the Department as being copied thereon, and the Respondent shall provide copies to the Department of all such letters sent. The content of such written notice must be approved by the Department prior to being delivered by the Respondent. The Respondent also agrees to provide any advice or assistance to aid its Idaho clients in closing accounts maintained in connection with the Respondent's debt settlement services.

14. Immediately upon the full and timely completion of all requirements set forth in paragraph 13 above, the Respondent agrees to *cease and desist* from all debt settlement activities in Idaho; shall close all accounts associated with Idaho consumers related to such activities, and shall affirmatively and conspicuously disclose in all of its advertising and promotion of its debt settlement services that such services are not available in Idaho.

15. By no later than ten (10) days from the Respondent's execution of this Consent Order, the Respondent agrees to pay to the Department an administrative penalty in the amount of thirteen thousand dollars (\$13,000) for the violations set forth herein, and an additional three thousand dollars (\$3,000) for 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).

16. The Respondent represents, acknowledges, and agrees that by signing this Consent Order it is simultaneously withdrawing its pending application with the Department for a license to engage in any activity in Idaho for which a license under the Act is required.

17. The Respondent agrees that it will not reapply for a license under the Act for a period of five (5) years from the date of its execution of this Consent Order.

18. The Respondent agrees that until it is issued a license under the Act, it will not engage in any activity in Idaho for which a license is required under the Act.

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

20. The Department agrees not to seek further penalties or fees for the violations identified in this Consent Order, other than as set forth above, so long as the Respondent fully and timely complies with the terms of this Consent Order, except that, if the Department later determines that the information provided by the Respondent regarding the number of Idaho consumers as to whom it engaged in debt and credit counseling activities, and/or the fees and compensation it has received from such clients while it was unlicensed under the Act, is/are inaccurate, the Department may seek further sanctions against the Respondent, to include further client restitution and penalties.

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.

DATED this 17<sup>th</sup> day of March, 2011.

DISCOUNT DEBT SOLUTIONS, INC.

By: [Signature]  
Title President

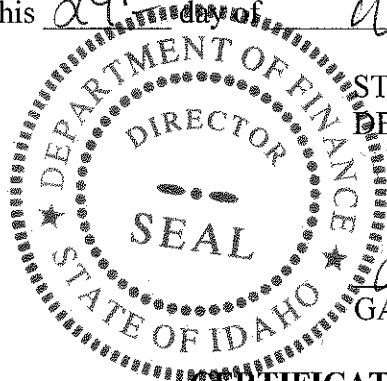
DATED this 29<sup>th</sup> day of March, 2011.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature]  
MICHAEL LARSEN  
Consumer Finance Bureau Chief

**IT IS SO ORDERED.**

DATED this 29<sup>th</sup> day of March, 2011.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

[Signature]  
GAVIN M. GEE, Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 30 day of March, 2011, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

Robby H. Birnbaum, Esq.  
GREENSPOON MARDER, PA  
100 Cypress Creek Road, Suite 700  
Fort Lauderdale, FL 33309

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

[Signature]  
Paralegal