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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.

HF HOLDINGS, INC., and JON RIZZO,

Respondents.

Docket No. 2021-9-05

CONSENT ORDER

Come now the State of Idaho, Department of Finance, Consumer Finance Bureau staff (Department) and HF Holdings, Inc., (collectively Parties) pursuant to the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.*, and hereby agree to the following and request that the Director of the Department enter the underlying order.

In support of entry of this Consent Order and to fully resolve the matters referenced herein, the Parties agree and consent to the following facts, findings, conclusions of law and

relief, and agree that, if acceptable to her, the Director may adopt the same by signing this Consent Order.

FACTS AND LEGAL CONCLUSIONS

1. The Director of the Idaho Department of Finance has jurisdiction over this matter pursuant to Title 26, Chapter 22, Idaho Code (the Act).

2. HF Holdings, Inc. (hereafter HFH) is a Florida corporation formed on or about March 19, 2012. HFH is not registered to do business in Idaho.

3. HFH has conducted business as a collection agency from PO Box 593080, Orlando, Florida 32859.

4. Jon Rizzo (hereafter Rizzo) is the "V.P. of Legal Operations" for HFH.

5. Neither HFH nor Rizzo has ever held an Idaho Collection Agency license. Rizzo is not a licensed attorney in Idaho.

6. Idaho resident Barry Dalton (Dalton), who does business in Idaho as Dalton Cattle, received letters dated January 27, and February 10, 2021, as well as email correspondence in early March 2021 from HFH and Rizzo in his role for HFH on behalf of business entities associated with Idaho resident Paul Batruel (hereafter Batruel) making a claim for payment. The correspondence from HFH expressly stated that it was from a debt collector and an attempt to collect a debt. Dalton vehemently disputed the amount of the claim made by HFH on behalf of Batruel or his entities. HFH's website states: "HF Holdings is The World's Leader in Debt Recovery."

7. On September 8, 2021, the Department issued a Verified Complaint against HFH and Rizzo alleging they had conducted unlicensed collection activity in violation of the Act.

8. Although HFH and Rizzo never formally filed an Answer to the Verified Complaint, on September 16, 2021, the Department received a response letter from HFH asserting that the commercial debt owed by Dalton was a "one off" and that HFH does not conduct collection activity in Idaho.

9. Idaho Code § 26-2223 provides as follows, in pertinent part:

26-2223. Collection agency, debt counselor, or credit counselor permits.

– 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.

10. Per Idaho Code § 26-2222(4), the term "collection agency" "means a person who engages in any of the activities enumerated in subsections (2) through (6)" of Idaho Code § 26-2223, the language in subsection (2) of which is set forth in the previous paragraph.

11. The Parties agree that the Respondent's acts of engaging in debt collection activities in Idaho without a license, as referenced above, constitute a violation of Idaho Code § 26-2223(1) and (2).

12. The Respondent agrees that it will refrain from conducting any activity that would constitute activity in Idaho requiring a license under the Act unless and until they are properly licensed to do so. The Department agrees that should the Respondent apply for a license under the Act, it will process the application in the normal course, and that this Consent Order and the activity giving rise to it shall not constitute a bar to licensure of the Respondent.

REMEDIES

13. The Parties agree to dismiss Rizzo from this administrative action.
14. HFH admits to the facts and legal conclusions set forth above in this Consent Order.
15. HFH represents that it has ceased any collection activity in Idaho as of March 2021 and will continue to refrain from engaging in any and all collection business in Idaho and will otherwise not conduct activity described in the Act until such time as it obtains a license under the Act authorizing it to do so.
16. HFH agrees to pay to the Department the sum of five thousand dollars (\$5,000) as an administrative penalty in settlement of the violations contained herein, the full amount of which is to be suspended and will become due and payable only if HFH engages in future activity requiring a license under the Act when it is not properly licensed.
17. The Department agrees to accept and consider a future license application that HFH may submit to the Department, and further agrees that it will not use this Consent Order as the basis for denial of HFH's license application.
18. HFH 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, as applicable.
19. The Department agrees to not seek further penalties or fees from HFH for the violations addressed in this Consent Order, other than as set forth herein above, if HFH timely and fully complies with all provisions of this Consent Order. However, the Parties agree this

does not prevent or prohibit the Department from seeking any relief regarding any other Idaho consumers or other violations that may become known in the future.

20. The Parties acknowledge and understand 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.

21. The Parties agree that the Director has the authority to adopt this Consent Order pursuant to Idaho Code § 26-2244.

22. The Parties knowingly and voluntarily agree to the contents of and to the entry of this Consent Order to resolve the issues raised herein and to obviate the need for any further proceedings, and the Department and HFH further waives its rights to a hearing before the Director, to present evidence, and to seek any further review of the entry of this final Consent Order.

DATED this 1st day of October ~~September~~ 2021.

HF HOLDINGS, INC.

By: Frank Hamdan for HF Holdings

Frank Hamdan - Office Admin
Printed Name and Title

DATED this 1 day of ^{October} ~~September~~ 2021.

STATE OF IDAHO
DEPARTMENT OF FINANCE



ERIN VAN ENGELEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED and EFFECTIVE this 4 day of October, 2021.

STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of October 2021, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

HF Holdings, Inc.
PO BOX 593080
Orlando, FL 32859

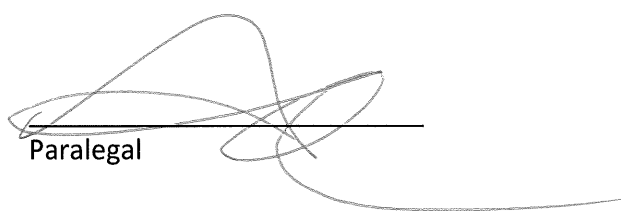
- U.S. mail, postage prepaid
- Certified mail
- Facsimile: _____
- Email: david@hfholdingsinc.com

Jon Rizzo
PO BOX 593080
Orlando, FL 32859

- U.S. mail, postage prepaid
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- Facsimile: _____
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