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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

**VERIFIED COMPLAINT FOR ORDER TO  
CEASE AND DESIST AND FOR MONETARY  
PENALTY**

**AND**

**NOTICE OF THE OPPORTUNITY TO  
REQUEST A HEARING**

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 Idaho Code § 26-2244(1) of the Act, requiring HF Holdings, Inc., and Jon Rizzo, (collectively Respondents) to immediately cease and desist from violating the Act, to include engaging in unlicensed debt collection activity in Idaho; an order pursuant to Idaho Code § 26-2244(2)(a)

against Respondents for a civil penalty of not more than \$5,000 per violation; and an order directing Respondents to cease from all future violations of the Act unless and until they are licensed. The Department also provides the underlying notice of the opportunity for hearing.

### **FACTUAL AND LEGAL ALLEGATIONS**

1. The Director of the Idaho Department of Finance has jurisdiction over this matter.
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 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. Dalton hired Batruel for cattle feeding services without specific agreement as to the price to be paid for such services. Dalton maintains in a complaint he submitted to the Department, that the parties had a past practice of dealings, and that the amounts charged and demanded by Batruel far exceeded rates for past work.

8. HFH has threatened Dalton with negative credit reporting, legal action, issuance of subpoenas, and informed Dalton's attorney that Batruel and his partner, "will do whatever they can to make [Dalton and his wife's] lives miserable." This threatening type of conduct violates Idaho Code § 26-2229A(1), which requires any licensee or person required to be licensed and its agents to "deal openly, fairly, and honestly without deception ...."

9. The Department sent two certified letters to HFH, attention Rizzo, dated March 16, and April 29, 2021. The second letter was received at the address listed as HFH's principal address. To date, the Department has not heard from HFH or Rizzo.

10. 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.

11. 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.

12. HFH's acts of engaging in debt collection activity in Idaho without a license to do so, as referenced above, constitute a violation of Idaho Code § 26-2223(1) and (2).

13. HFH's conduct may also have violated Idaho Code § 26-2223 subsections (3) and (5), which provide:

(3) Solicit or advertise in this state to collect or receive payment for another of any account, bill, claim or other indebtedness.

\* \* \*

(5) Engage in any activity in this state which indicates, directly or indirectly, that a third party is or may be involved in effecting any collections.

14. The Director is authorized pursuant to Idaho Code § 26-2244 to order:

a. any person to cease and desist from acts or practices that constitute a violation of the Act,

b. the imposition of a civil penalty of \$5,000 for each violation of any provision of the Act,

c. that the person violating the act pay costs including reasonable attorney fees and reimbursement of investigative efforts.

15. The Department reserves the right to amend this Verified Complaint or seek a new action against Respondents should it learn of new facts demonstrating additional unlicensed or other activity in violation of Idaho law for which the Department has enforcement authority.

#### **PRAYER FOR RELIEF**

16. The Department requests and prays for the entry of an order by the Director pursuant to Idaho Code § 26-2244(1) and (2):

a. Finding that HFH has engaged in business in Idaho constituting that of a collection agency without a license as required from the Department, and further directing HFH to cease and desist its unlicensed collection agency activity in Idaho unless and until HFH obtains a license therefor;

- b. Finding that Rizzo and any other owners, employees, principals, agents, or affiliates of HFH knew or should have known that HGH engaged in business in Idaho constituting that of a collection agency without a license and directing Respondent Rizzo to cease and desist any unlicensed collection agency activity in Idaho, directly, or indirectly unless and until he and they obtain a license therefor or engage in such conduct as may be permitted on behalf of a duly licensed collection agency;
- c. Requiring HFH to pay a civil monetary penalty in the amount of \$5,000 per violation for unlicensed activity, in the total amount of \$5,000;
- d. Awarding the Department reasonable attorney fees and investigative costs as determined by the Director; and
- e. Imposing such further and additional relief as the Director deems appropriate.

**NOTICE OF DUTY TO ANSWER AND NOTICE OF RIGHT TO HEARING**

17. Pursuant to Idaho Code § 26-2244(2), Idaho Code § 67-5242, and IDAPA 04.11.01.270.01, a hearing will be granted to Respondents if a written answer contesting the allegations or relief sought and requesting a hearing is received by the Department, within twenty-one (21) days following the mailing of this Notice, the date of which is set forth in the below Certificate of Mailing. The answer must be mailed to the Department's counsel:

Thomas A. Donovan  
Deputy Attorney General  
Idaho Department of Finance

P.O. Box 83720  
Boise, Idaho 83720-0031

Alternatively, the Respondents may email any answer and request for hearing to the email address of the undersigned counsel: tom.donovan@finance.idaho.gov or to the following email address CFLegal@finance.idaho.gov.

18. Upon receipt of an answer and request for hearing, the Director will likely appoint a hearing officer. The hearing officer will set the time and place for the hearing and the procedures for the hearing shall be in compliance with the Idaho Administrative Procedures Act (title 67, chapter 52, Idaho Code) and the Idaho Rules of Administrative Procedure (IDAPA 04.11.01).

19. Failure of Respondents to file and serve an answer within the time prescribed shall be deemed a waiver of the opportunity for a hearing and to contest the allegations in the Verified Complaint, and the Department will seek to have the Director enter a default order granting the relief sought in this complaint.

DATED this 3<sup>rd</sup> day of Sept., 2021.

STATE OF IDAHO  
OFFICE OF ATTORNEY GENERAL



By THOMAS A. DONOVAN  
Deputy Attorney General

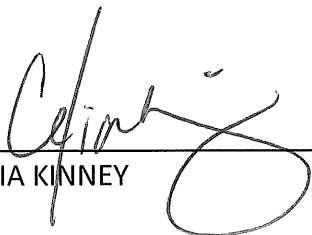
VERIFICATION

STATE OF IDAHO     )  
                                  ) ss.  
County of Ada        )

CELIA KINNEY, Idaho Department of Finance Consumer Affairs Officer, being first duly sworn, deposes and says:

I have read the foregoing Verified Complaint for Order to Cease and Desist and For Monetary Penalty and Notice of the Opportunity to Request a Hearing, and know the contents thereof; and that the same are true to the best of my knowledge and belief.

DATED this 8<sup>th</sup> day of September 2021.

  
\_\_\_\_\_  
CELIA KINNEY

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of September 2021.

  
\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Ada County  
Commission Expires: 11/30/2024

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 8th day of September 2021, I caused a true and correct copy of the foregoing fully-executed VERIFIED COMPLAINT FOR ORDER TO CEASE AND DESIST AND FOR MONETARY PENALTY AND NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

HF Holdings, Inc.  
1707 Orlando Central Pkwy, Ste. 440  
Orlando, FL 32809

- U.S. mail, postage prepaid
- Certified mail
- Facsimile: \_\_\_\_\_
- Email:
- Email:

Basil Hamdan,  
Registered Agent for HF Holdings, Inc.  
5929 Anno Ave.  
Orlando, FL 32809

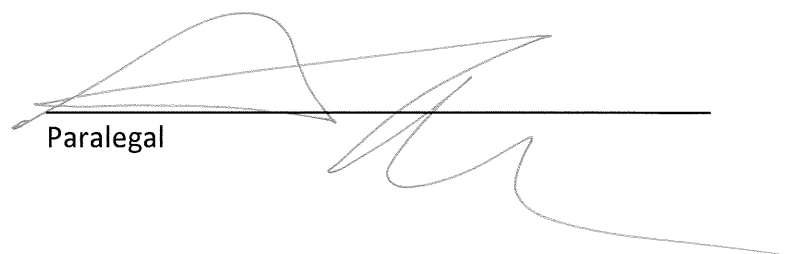
- U.S. mail, postage prepaid
- Certified mail
- Facsimile: \_\_\_\_\_
- Email:
- Email:

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

- U.S. mail, postage prepaid
- Certified mail
- Facsimile: \_\_\_\_\_
- Email:

Jon Rizzo  
PO BOX 593080  
Orlando, FL 32859

- U.S. mail, postage prepaid
- Certified mail
- Facsimile: \_\_\_\_\_
- Email: jon@hfholdingsinc.com

  
\_\_\_\_\_  
Paralegal