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Attorney for Department of Finance Consumer Finance Bureau Staff

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO**

In the Matter of:

INBOUNDPROSPECT, INC. dba  
DEBTHUNCH,  
NMLS ID No. 1622288,

Respondent.

Docket No. 2023-09-03

**ORDER TO CEASE AND DESIST**

The State of Idaho, Department of Finance staff (Department), pursuant to the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (ICAA), represents the following facts that constitute a basis for the issuance of an order pursuant to § 26-2244(1) of the ICAA and the Idaho Administrative Procedure Act, [chapter 52, title 67](#), Idaho Code, requiring

INBOUNDPROSPECT, INC. dba DEBTHUNCH (collectively referred to herein as “Respondent”), to immediately cease and desist from violating the ICAA.

### **RESPONDENT**

1. Respondent, Nationwide Multistate Licensing System (NMLS) ID No. 1622288, is a California corporation that conducts debt/ credit counseling from a California address at 1301 Dove Street, Suite 830, Newport Beach, California 92660. According to the California Secretary of State website, [Search | California Secretary of State](#) , Scott Cuoto, NMLS ID No. 922154, is listed as Respondent’s Chief Executive Officer, Secretary, and Chief Financial Officer. Information on this website also indicates that Respondent was formerly known as iVault, Inc.

2. According to its NMLS filing, Respondent utilizes three websites, one of which is [www.debthunch.com](http://www.debthunch.com).

3. Respondent is not registered to conduct business in Idaho with the Idaho Secretary of State and has never been issued any license by the Department.

### **ACTIVITY**

4. On June 2, 2022, the Department received a complaint from one of its staff members, an Idaho resident, regarding a mailed advertisement he received from “debthunch.” The staff member noted that the advertisement appeared to be offering unlicensed services under the ICAA.

5. The following page is the front of the advertisement received by the Idaho resident:



you're **Pre-Approved!**

call **1 (800) 908-0504**

and provide your personal key **35958741**

or visit **debthunch.com/offer**

accept this offer by **October 15, 2021**

NAMPA ID 83687-9399



## Want to save **\$167** per month?

see your personalized debt consolidation analysis below:

	Your Credit Cards & Unsecured Debt	Debthunch Pre-Approved Debt Consolidation
Combined Balances	\$16,000	\$16,000
Balance Reduction	\$0	-\$4,800
Interest Rate (APR)	21.99%	0.00%
Term (Months To Payoff)	73	48
Monthly Payment	\$400	\$233
Total Payoff	\$29,087	\$11,200
		<b>\$167</b> YOUR MONTHLY SAVINGS
		<b>\$17,887</b> YOUR TOTAL SAVINGS

As you can see above if you use Debthunch to consolidate your balances at **0% interest** and **\$0 down** you could **save \$167 per month** and **\$17,887 in total**. Plus, with **one new monthly payment** of only **\$233** you could **pay off all of your debt** in just **48 months or less**.

This Pre-Approved offer expires on **October 15, 2021**, but why wait? Call us now and start saving.

**1 (800) 908-0504** or visit **debthunch.com/offer**



260153

You can choose to stop receiving "pre-screened" offers of credit from this and other companies by calling toll free at 1-888-567-8688. See PRESCREEN & OPT-OUT NOTICE on the backside for more information.

© 2021 Debthunch, Inc. All rights reserved. Debthunch, Inc. is an Equal Opportunity Lender.

6. The following is the second page of the advertisement:



Look how easy it could be to **save \$17,887.**



**INSTANT OFFER**  
Call or visit us online  
to accept your  
Pre-Approved offer.



**SIMPLE PROCESS**  
Get matched with the  
smartest debt  
consolidation for you.



**RESULTS**  
We work to get you the  
most savings and lowest  
payment possible.

Call: **1 (800) 908-0504**

Visit: **debthunch.com/offer**

Provide your personal key: **35958741**



**PRE-SCREEN & OPT-OUT NOTICE:** This "prescreened" offer of credit is based on information in your credit report indicating that you meet certain criteria. This offer is not guaranteed if you do not meet our criteria including providing acceptable collateral. If you do not want to receive prescreened offers of credit from this and other companies, call the consumer reporting agencies toll-free at (888) 567-8888; or visit the website at [www.optoutprescreen.com](http://www.optoutprescreen.com); or write: Experian Opt Out, P.O. Box 919, Allen, TX 75019; Equifax Options, P.O. Box 740123, Atlanta, GA 30374-0123; TransUnion Opt Out Request, P.O. Box 505, Woodlyn, PA 19094-0505.

**TERMS AND CONDITIONS:** Information from your credit report was used for this offer. You received this offer because you met certain credit criteria for creditworthiness. We may withdraw this offer if you no longer meet the criteria. This offer is subject to verification of sufficient income, age, qualified unsecured debt amount, employment and that you meet all criteria for the offer. This offer is non-transferable. This offer expires on the date stated on the front of this letter. Additional terms and conditions may apply. The amounts displayed on the front of this letter are for a debt consolidation offer of \$16,000, a 48 month term at 0.00% interest, an estimated balance reduction of \$4,800, a monthly payment of \$243 and a total payoff of \$11,200.

Debthunch, 1301 Dove Street, Suite B30, Newport Beach, CA 92660, <https://www.debthunch.com/licensing>, NML54: 1622288, California DBD Finance Lenders License - #60DBO72167 with loans made under the California Financing Law.

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LTR-0719



7. Following a review of the advertisement above and Respondent's website, the Department determined that Respondent was not licensed by the Department to engage or offer to engage in debt/credit counseling activity in Idaho.

8. The Department then sent a certified stop-letter to Respondent dated June 16, 2022, regarding Respondent's advertisement which appeared to offer debt counseling services in Idaho. In that letter, the Department advised Respondent of the licensing requirement of the ICAA and the sanctions for failing to comply with such requirement. The letter further requested that Respondent provide information concerning its unlicensed debt/credit counseling activities in Idaho, including, but not limited to, identifying the nature and purpose of Respondent's business; copies of all print advertisements it sent to Idaho residents; a list of all Idaho citizens to whom it provided debt or credit counseling; a list of all of Respondent's websites; a list of all Idaho residents to whom Respondent had solicited or advertised. Further, that letter advised Respondent of the license requirement for engaging in collection activities regulated under the ICAA in Idaho, and informed Respondent of the possible sanctions under the ICAA for unlicensed activity. The letter also informed respondent of the process for obtaining a license.

9. The Department required that Respondents provide all the requested information by July 8, 2022. A United States Postal Service tracking record reflected that this letter was successfully delivered to Respondent on June 24, 2022, however no response was received.

10. On July 8, 2022, the Department's Consumer Affairs Officer (CAO) attempted to call Scott Couto from numbers listed on Respondent's NMLS filing. The CAO left a voicemail

message requesting confirmation that the Department's June 16, 2022, letter was received and to inquire about the status of the requested responses. A return call from Mr. Couto was not received. The CAO also sent an email to Scott Couto regarding the Department's July 8, 2022, letter. The Department received no response.

11. On July 13, 2022, the Department sent a second certified stop-letter, along with a copy of the letter dated June 16, 2022, requesting that Respondent respond by July 27, 2022, to its alleged unlicensed debt counseling services in Idaho. The Department's letter was again returned delivered successfully on July 18, 2022.

12. On October 18, 2022, the CAO made a final attempt to reach Mr. Couto by phone, however the phone number listed and utilized previously was no longer in service.

13. To date, Respondent has failed to respond to the Department's correspondence or file an application for licensure with the Department.

14. Based on the advertisement provided to the Department referenced above, Respondent has engaged in unlicensed debt/credit counseling activity in Idaho in violation of the ICAA.

### **CONCLUSIONS OF LAW AND VIOLATIONS**

#### *UNLICENSED DEBT/CREDIT COUNSELING ACTIVITY IN IDAHO*

15. The allegations set forth in paragraphs 1 through 14 above are fully incorporated herein by this reference.

16. 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 ICAA.

17. 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.

18. Respondent's acts of offering debt/credit counseling services in Idaho without a license, as referenced above, constitute violations of Idaho Code § 26-2223. Each contact made by Respondent to Idaho residents for the purpose of collection constitutes a separate violation.

19. Idaho Code § 26-2244(1) provides that whenever it appears to the Director that it is in the public interest, he may order any person to cease and desist from acts, practices, or omissions which constitute a violation of the ICAA.

### **ORDER**

The Director, having reviewed the foregoing, good cause being shown, and the public interest being served thereby,

NOW, THEREFORE, the Director HEREBY FINDS that Respondent has violated the Idaho Collection Agency Act as set forth above.

Pursuant to Idaho Code § 26-2244(1), IT IS HEREBY ORDERED that Respondent and its agents and employees immediately CEASE AND DESIST from acts, practices, or omissions which constitute a violation of the ICAA, including specifically from engaging in collection activity in Idaho without the license required by the ICAA.

This ORDER TO CEASE AND DESIST is effective upon issuance.

**IT IS SO ORDERED.**

DATED this 9<sup>th</sup> day of February 2023.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

PATRICIA R. PERKINS, Director

**NOTICE**

Respondent is HEREBY NOTIFIED that this ORDER TO CEASE AND DESIST is a final order of the Director.

Respondents may file a motion for reconsideration or request for hearing concerning this final order within twenty-one (21) days of the service date of this order. Any such motion for reconsideration or request for hearing must be in writing, addressed to:

Erin Van Engelen  
Consumer Finance Bureau Chief  
Idaho Department of Finance  
P.O. Box 83720  
Boise, Idaho 83720-0031

A copy of such motion for reconsideration or request for a hearing shall also be served on the Department's counsel, Erick M. Shaner, Deputy Attorney General, at the same address. Alternatively, the Respondent may email any request for reconsideration or hearing to: [CFLegal@finance.idaho.gov](mailto:CFLegal@finance.idaho.gov).

The Department will dispose of a motion for reconsideration within twenty-one (21) days of the receipt of a motion for reconsideration, or the motion will be considered denied by operation of law. Idaho Code § 67-5246(4); Idaho Rules of Administrative Procedure of the Attorney General (IRAP) at IDAPA 4.11.01.740.02.a.



Should Respondent make a timely request for a hearing, the Director will vacate this final order and appoint a hearing officer to review the matter de novo and issue a preliminary order and the matter shall proceed pursuant to the Administrative Procedures Act and IRAP.

**CERTIFICATE OF SERVICE**


I HEREBY CERTIFY that on this 9<sup>th</sup> day of February 2023, I caused a true and correct copy of the foregoing fully-executed ORDER TO CEASE AND DESIST to be served on the following by the designated means:

InboundProspect, Inc. dba debthunch  
1301 Dove St, Suite 830  
Newport Beach, CA 92660

U.S. mail, postage prepaid  
 certified mail  
 facsimile:  
 email: [info@inboundprospect.com](mailto:info@inboundprospect.com)  
[scott@inboundprospect.com](mailto:scott@inboundprospect.com)  
[info@debthunch.com](mailto:info@debthunch.com)

Robert Johnson  
Registered Agent  
34197 Pacific Coast Hwy, Ste. 100  
Dana Point, CA 92629

U.S. mail, postage prepaid  
 certified mail  
 facsimile:  
 email:

  
Paralegal