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

In re:)
)
JSD MANAGEMENT, INC., dba JAMES,) Docket No. 2015-9-07
STEVENS & DANIELS, a Delaware)
corporation,)
) **CONSENT ORDER**
)
Respondent.)
)
_____)

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the collection activities in Idaho of JSD MANAGEMENT, INC., dba JAMES, STEVEN & DANIELS (Respondent). Pursuant to this review, it appears to the Director that Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative or civil action. Therefore, the Director and Respondent agree to enter into this Consent Order. Respondent voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. Respondent is a Delaware corporation authorized to do business in Idaho since February 17, 2015. Respondent conducts business as a collection agency in Idaho from its business address located at 1283 College Park Drive, Dover, Delaware, 19904. Kelly J. Hedrick is Respondent's president.

FACTS

2. On January 21, 2015, Idaho resident, JWI, filed a complaint with the Idaho Department of Finance (Department) complaining about the collection practices of Respondent. JWI included copies of billing statements he received from Respondent as well a copy of a cancelled check in the amount of \$3,000 that his business paid to Respondent. Respondent has never applied for nor held a license under the Idaho Collection Agency Act, authorizing it to engage in collection activities in Idaho.

3. After receiving JWI's complaint and noting that Respondent has never had an Idaho collection agency license, the Department began an investigation of Respondent's collection activities in Idaho. The Department's investigation included communicating with Respondent regarding the matters addressed in the complaint.

4. On February 2, 2015, as part of its investigation, the Department sent a letter to Respondent concerning JWI's complaint and Respondent's apparent unlicensed collection activity in Idaho. In that letter, the Department requested that Respondent provide information necessary for the Department to determine the extent of Respondent's unlicensed collection activity in Idaho. The Department also requested that Respondent cease all collection activities in Idaho until properly licensed.

5. On February 5, 2015, Respondent's representative, Ray Evans, contacted the Department's investigator about the February 2, 2015 letter. Evans stated that upon receipt of

the Department's letter, Respondent ceased all Idaho activity. It had believed that since it was collecting on behalf of non-Idaho based creditors, it did not need a license in Idaho. After receiving the February 2, 2015 letter, it further researched the matter and realized it did need a license.

6. On February 18, 2015, Respondent submitted a response to the Department regarding the extent of its unlicensed activity in Idaho. On March 10, 2015, Respondent submitted to the Department an application for a license under the Act.

7. From the information provided to the Department by Respondent, the Department concludes that Respondent contracted with creditor clients for the collection of debts allegedly owed by at least seventy-two (72) Idaho commercial debtor accounts, while it failed to hold a license under the Act. The information outlined third party collection by Respondent within a time frame from 2014 to 2015. Respondent has only collected for one creditor since the spring of 2014.

8. The Department further concludes that Respondent's collection efforts resulted in the collection of at least \$18,774.36 from nine Idaho commercial debtors.

FINDINGS

ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO

9. The allegations set forth in paragraphs 1 through 8 above are fully incorporated herein by this reference.

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 permit 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. "Collection agency" means a person who engages in any of the activities enumerated in subsections (1) or (2) of Idaho Code § 26-2223, which are set forth in the previous paragraph.

12. Respondent's acts of engaging in collection activities in Idaho without a license, as referenced above, constitute violations of Idaho Code § 26-2223(1) and -(2), as set forth in paragraphs 10 and 11 above. Each act of collecting constitutes a separate violation.

REMEDIES

13. Respondent admits to violations of Idaho Code § 26-2223(1) and -(2), as referenced above.

14. Respondent agrees to immediately cease and desist from engaging in any and all collection activities in Idaho, to include collecting or receiving payment for others of any account, bill, claim or other indebtedness; 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.

15. Respondent agrees to pay to the Department the sum of \$2,000 as an administrative penalty in settlement of the violations contained herein, and an additional amount of \$500 constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of \$2,500, by no later than July 30, 2015.

16. When Respondent has executed this Consent Order and timely paid to the Department the \$2,500 payment referenced in paragraph 15 above, the Department agrees to accept and consider the license application already submitted by Respondent. Further, the Department agrees that it will not consider this Consent Order as the basis for denial of Respondent's license application.

17. 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.

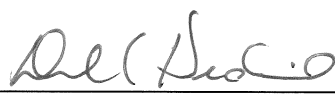
18. The Department agrees not to seek further penalties or fees from Respondent for the violations addressed in this Consent Order, other than as set forth in paragraph 15 above, if Respondent timely and fully complies with all provisions of this Consent Order.

19. 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.

20. Respondent acknowledges and understands that should the Department learn of additional violations by Respondent of the Act, rules promulgated under the Act, or applicable federal laws and regulations relating to Respondent's collection activities in Idaho, the Department may pursue further legal action and seek additional remedies.

DATED this 22 day of July, 2015.

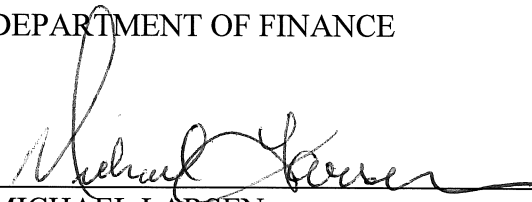
JSD MANAGEMENT INC. dba JAMES,
STEVENS & DANIELS

By: 

Title: Executive Director of Operations

DATED this 27th day of July, 2015.

STATE OF IDAHO
DEPARTMENT OF FINANCE



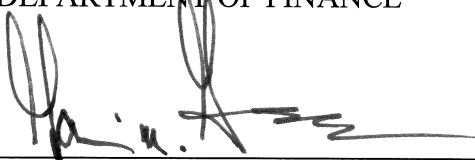
MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 27th day of July, 2015.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE
Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th day of July, 2015, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

JSD Management, Inc.
dba James, Stevens & Daniels
Attn: Kelly Hedrick, President
1283 College Park Drive
Dover, DE 19904

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email: Kelly@jsdimc.net



Paralegal