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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.

LAW OFFICES OF ANDREU, PALMA &  
ANDREU, PL,

Respondent.

Docket No. 2012-9-14

**CONSENT ORDER**

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the collection activities in Idaho of LAW OFFICES OF ANDREU, PALMA & ANDREU, PL (Respondent). Pursuant to such 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) and the federal Fair Debt Collection Practices Act, 15 U.S.C. 1601 *et seq.* The Director and Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative proceeding or civil action. Therefore, the Director deems it appropriate

and in the public interest that this Consent Order be entered. Respondent voluntarily consents to the entry of this Consent Order.

### **RESPONDENT**

1. Respondent was organized as a Florida professional limited liability company on October 18, 2007, effective May 5, 2003. Respondent is a law firm doing business as a collection agency. Such business includes Respondent collecting or receiving payment for others of any account, bill, claim or other indebtedness. Respondent conducts business in Idaho from 701 SW 27<sup>th</sup> Avenue #900, Miami, Florida. Its managing partners are Juan Guillermo Andreu, Jorge Luis Palma, and Desiree Maria Suarez.

### **FACTS**

2. Mr. Andreu, Mr. Palma, and Ms. Suarez are licensed to practice law in the state of Florida. Mr. Andreu, Mr. Palma, and Ms. Suarez are not licensed to practice law in the state of Idaho.

3. Respondent has never applied for nor ever held a license under the Idaho Collection Agency Act, authorizing it to engage in collection activities in Idaho.

4. On June 14, 2011, the Department received a complaint from S.M., a resident of Boise, Idaho. S.M. reported that after receiving an initial letter from Respondent, Respondent had repeatedly contacted her via telephone over the time period between May 15, 2011 through June 10, 2011, in an attempt to collect on a debt allegedly owed by S.M. Further, S.M. reported that Respondent continued to contact her after she requested that Respondent cease contacting her via telephone. While S.M. requested that Respondent validate the debt being collected, Respondent failed to do so.

5. After receiving S.M.'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 being investigated.

6. On June 27, 2011, as part of its investigation, the Department sent a letter to Respondent concerning S.M.'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.

7. Prior to Respondent responding to the Department's June 27, 2011 request for information, on July 27, 2011, the Department received a complaint from D.P., a resident of Coeur d'Alene, Idaho. D.P. reported that Respondent had been contacting him and other unrelated individuals in an attempt to collect a debt purportedly owed by D.P. D.P. asserted that he requested information regarding Respondent's Idaho collection agency license, which Respondent refused to provide.

8. After receiving D.P.'s complaint, on August 24, 2011, the Department sent a second letter to Respondent concerning Respondent's apparent continued unlicensed collection activity in Idaho, and concerning D.P.'s complaint. The Department again requested information from Respondent regarding its unlicensed collection activity in Idaho.

9. Between August 26, 2011 and December 8, 2011, Respondent requested that the Department extend the deadline to respond to the Department's requests for information. The Department granted those requests.

10. Finally, on or about December 6, 2011, Respondent submitted a response to the Department regarding the extent of its unlicensed activity in Idaho.

11. On February 28, 2012, Respondent submitted to the Department an application for a license under the Act. Respondent also supplemented the information provided to the Department in its December 6, 2011 response.

12. 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 508 Idaho consumers, while it failed to hold a license under the Act. The Department further concludes that Respondent's collection efforts resulted in the collection of at least \$164,604.89 from Idaho consumers and which resulted in Respondent receiving fees in the total amount of \$31,274.93.

### **FINDINGS**

#### *ENGAGING IN UNLICENSED COLLECTION ACTIVITIES IN IDAHO*

13. The allegations set forth in paragraphs 1 through 12 above are fully incorporated herein by this reference.

14. 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.

...

15. “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.

16. 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 14 and 15 above. Each act of collecting constitutes a separate violation.

*VIOLATIONS OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT*

17. The allegations set forth in paragraphs 1 through 12 above are fully incorporated herein by this reference.

18. Idaho Code § 26-2229A(2) provides as follows, in pertinent part:

(2) When not inconsistent with the statutes of this state, the provisions of the federal fair debt collection practices act, 15 U.S.C. section 1692, *et seq.*, as amended, may be enforced by the director against collection agencies licensed or required to be licensed under the provisions of this act.

19. The federal Fair Debt Collection Practices Act (FDCPA) § 805(c), at 15 U.S.C. 1692c(c), provides that if a consumer notifies a debt collector in writing that the consumer wishes the debt collector to cease further communication with the consumer, the debt collector shall not communicate further with the consumer with respect to such debt.

20. Respondent’s acts of continuing to communicate with at least one Idaho consumer after that consumer requested that Respondent cease communicating with her, as referenced in paragraph 4 above, constitutes a violation of 15 U.S.C. 1692c(c). Such provision may be enforced by the Director, pursuant to Idaho Code § 26-2229A(1), as set forth in paragraph 18 above.

21. The FDCPA § 809(a), at 15 U.S.C. 1692g(a), provides:

§ 809. Validation of debts

(a) Within five days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing --

(1) the amount of the debt;

(2) the name of the creditor to whom the debt is owed;

(3) a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;

(4) a statement that if the consumer notifies the debt collector in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the debt collector; and

(5) a statement that, upon the consumer's written request within the thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

22. Respondent's act of failing to provide at least one Idaho consumer with validation of the debt being collected upon, as referenced in paragraph 4 above, constitutes a violation of 15 U.S.C. 1692g(a). Such provision may be enforced by the Director, pursuant to Idaho Code § 26-2229A(1), as set forth in paragraph 18 above.

**REMEDIES**

23. Respondent admits to violations of Idaho Code § 26-2223(1) and -(2), 15 U.S.C. 1692c(c), and 15 U.S.C. 1692g(a), as referenced above.

24. 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.

25. Respondent agrees to pay to the Department the sum of \$10,000 as an administrative penalty in settlement of the violations contained herein, and an additional amount of \$1,000 constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of \$11,000, by no later than October 31, 2012.

26. When Respondent has executed this Consent Order and timely paid to the Department the \$11,000 payment referenced in paragraph 23 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.

27. 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.

28. 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 23 above, if Respondent timely and fully complies with all provisions of this Consent Order.

29. 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.

30. 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 24 day of Oct, 2012.

LAW OFFICES OF ANDREU, PALMA &  
ANDREU, PL

By: \_\_\_\_\_

Title: \_\_\_\_\_

*[Handwritten signature]*  
Managing Member

DATED this 29<sup>th</sup> day of October, 2012.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

\_\_\_\_\_  
MICHAEL LARSEN

Consumer Finance Bureau Chief

*[Handwritten signature: Michael Larsen]*

**IT IS SO ORDERED.**

DATED this 29<sup>th</sup> day of OCTOBER, 2012.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

\_\_\_\_\_  
GAVIN M. GEE

Director

*[Handwritten signature: Gavin M. Gee]*





**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 29 day of October, 2012, I served a true and correct copy of the foregoing CONSENT ORDER upon the following by the designated means:

Law Offices of Andreu, Palma & Andreu, PL  
Attn: Juan G. Andreu, Partner  
701 SW 27<sup>th</sup> Ave. #900  
Miami, FL 33135-3000

U.S. mail, postage prepaid  
 Certified mail  
 Facsimile: (305) 631-1816  
 Email: jandreu@andreupalma.com

  
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Paralegal