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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,)	Docket No. 2011-9-08
)	
Complainant,)	CONSENT ORDER
)	
vs.)	
)	
RAUCH-MILLIKEN INTERNATIONAL,)	
INC., a Louisiana corporation,)	
)	
Respondent.)	
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The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho collection activities of RAUCH-MILLIKEN INTERNATIONAL, INC. (the Respondent). Pursuant to said review, it appears to the Director that the Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. The Respondent voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. The Respondent was formed as a Louisiana corporation on February 27, 1989. The Respondent conducts business as a collection agency from 4400 Trenton Street, Suite A, Metairie, Louisiana 70006. Steven Michael Rauch is the Respondent's president and Thomas R. Milliken is the Respondent's chief executive officer. The Respondent has never been issued a collection agency license under the Act, authorizing it to engage in collection activities in Idaho.

FACTS

2. Over the time period between February of 2007 and November 9, 2009, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) received at least three (3) complaints concerning the Respondent's collection activities in Idaho, during which time the Respondent failed to hold a license under the Act. Department staff communicated with the Respondent concerning each of the complaints in an attempt to address the Respondent's apparent violations of the Act. In each case, the Respondent was notified by the Department of the requirement that it must maintain a license under the Act to engage in collection activities in Idaho, and the sanctions for failure to do so. The Respondent was also informed of the process to obtain a permit (license) under the Act. The Respondent failed to apply for or obtain a license under the Act, despite its communications with the Department as to these three (3) complaints.

3. In August of 2010, the Department received another complaint concerning the Respondent's collection activities in Idaho, this time from Idaho resident D.R. The complaint was first made to the Idaho Attorney General's Office and then referred by that office to the Department.

4. On August 12, 2010, the Department notified the Respondent by letter of D.R.'s complaint. Such letter requested the Respondent provide a written response to the complaint,

and also to provide other information, to include information concerning all of the Respondent's collection activities in Idaho. Because the Respondent did not respond to such letter, and failed to provide the requested information, the Department sent follow-up letters to the Respondent on October 5, 2010 and again on October 21, 2010.

5. Finally, on November 6, 2010, the Department received a letter from the Respondent's representative indicating that it wished to obtain a license under the Act and had retained a license agent to assist with that process.

6. On or about January 3, 2011, the Department received an application for a license to engage in collection activities in Idaho under the Act submitted on behalf of the Respondent.

7. On January 7, 2011, after reviewing the Respondent's January 3, 2011 license application, the Department notified the Respondent via e-mail that its license application was deficient in several respects. Additionally, the Department's e-mail requested that the Respondent submit information to the Department concerning its collection activities in Idaho since January 1, 2007. The Department gave the Respondent thirty (30) days to cure the deficiencies contained in its license application, and again warned the Respondent that it was not authorized to engage in collection activities in Idaho until such time as it was issued a license under the Act.

8. On January 13, 2011, the Department received a response to its January 7, 2011 deficiency notice. Such response included information showing that the Respondent had been collecting against Idaho residents since at least October 2003. The Department concluded from the information provided by the Respondent that the Respondent had engaged in unlicensed collection activities in Idaho against at least one thousand eighteen (1,018) Idaho residents between January 2007 and October 2010, which activities resulted in the Respondent's collection

of at least six hundred twenty-nine thousand three hundred seventeen dollars and seventy-three cents (\$629,317.73). Such information also indicated that as of January 13, 2011, the Respondent was in various stages of civil collection actions in Idaho courts as to at least thirty-one (31) Idaho accounts.

FINDINGS OF VIOLATIONS

ENGAGING IN UNLICENSED COLLECTION AGENCY ACTIVITY IN IDAHO

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

10. From 2002 until it was amended in 2008, Idaho Code § 26-2223 provided 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, collection bureau, collection office, debt counselor, or credit counselor 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. Beginning on July 1, 2008, Idaho Code § 26-2223 provided 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:

(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.

...

12. "Collection agency" means a person who engages in any of the activities enumerated in subsections (2) through (6) of Idaho Code § 26-2223. Subsection (2), pertinent hereto, is set forth in paragraphs 10 and 11 above.

13. "Collection activities" is defined in Idaho Code § 26-2222(3) to include the activities set forth in Idaho Code § 26-2223(2).

14. The Respondent's acts of engaging in collection activity in Idaho without a license, as referenced in paragraphs 2 through 8 above, constitute violations of Idaho Code § 26-2223(1) and -(2), in both its pre- and post-July 1, 2008 forms, as set forth above. Each act of collecting constitutes a separate violation of the Act.

REMEDIES

15. The Respondent admits to the allegations set forth in this Consent Order.

16. The Respondent agrees to immediately cease and desist from engaging in any and all collection activities in Idaho, to include 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.

17. The Respondent agrees to pay to the Department the sum of ten thousand dollars (\$10,000) as an administrative penalty in settlement of the violations contained herein, and an additional amount of one thousand dollars (\$1,000) constituting investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of eleven thousand dollars (\$11,000), by no later than April 27, 2011.

18. When the Respondent has executed this Consent Order and timely paid to the Department the eleven thousand dollar (\$11,000) payment referenced in paragraph 17 above, the

Department agrees to accept and consider the license application already submitted by the Respondent, and further agrees that it will not use this Consent Order as the basis for denial of the Respondent's license application.

19. The 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.

20. The Department agrees not to seek further penalties or fees from the Respondent for the violations addressed in this Consent Order, other than as set forth in paragraph 17 above, if the Respondent timely and fully complies with all provisions of this Consent Order.

21. The 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.

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

DATED this 14 day of April, 2011.

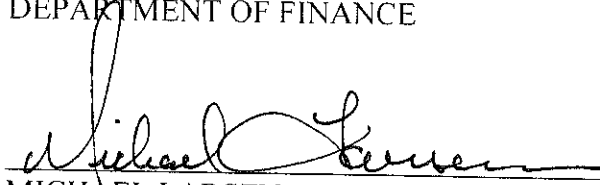
RAUCH-MILLIKEN INTERNATIONAL, INC.

By: 

President
Title

DATED this 22nd day of April, 2011.

STATE OF IDAHO
DEPARTMENT OF FINANCE

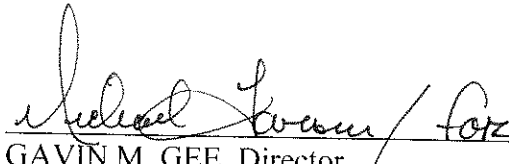

MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 22nd day of April, 2011.



STATE OF IDAHO
DEPARTMENT OF FINANCE

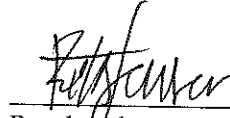

GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22 day of April, 2011, I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be served on the following by the designated means:

Manuel H. Newburger
BARRON, NEWBURGER & SINSLEY, PLLC
1212 Guadalupe, Suite 102
Austin, TX 78101-1837

- U.S. mail, postage prepaid
- certified mail
- facsimile
- e-mail


Paralegal