

LAWRENCE G. WASDEN
Attorney General

BRIAN D. NICHOLAS – ISB #3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

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

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, CONSUMER FINANCE)
BUREAU,)
)
Complainant,)
)
vs.)
)
REGIONAL ADJUSTMENT BUREAU)
INC., a Texas Corporation)
)
Respondent.)
)

Docket No. 2013-9-02

ORDER TO CEASE AND DESIST

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 §§ 26-2244(1) and 26-2228(4) of the Act, requiring REGIONAL ADJUSTMENT BUREAU, INC., a Texas Corporation (Respondent) to immediately cease and desist from violating the Act, to include engaging in unlicensed collection agency activities in Idaho.

RESPONDENT

1. Respondent was formed as a Texas corporation in 1976 and operates as a collection agency. Respondent conducts its collection agency business in Idaho from 3310 Keller Springs Road, Suite 120, Carrollton, Texas, 75006.

2. Respondent uses the website www.rabtx.com, wherein it makes the following representations:

“Since our establishment in 1976, [Respondent] has risen to become a respected leader in the account receivables management and collections industry. [Respondent] has earned an excellent reputation for our ethical and responsible treatment of our client’s customers. Our goal is to initiate contact with your customers in a professional and sensitive manner. [Respondent] adheres to the Fair Debt Collection Practices Act and all other applicable local and state regulations and is compliant with all HIPPA requirements. We are fully licensed and bonded in all necessary states.”

3. Respondent held an Idaho license under the Act, authorizing it to engage in the business of debt collection, from May 26, 2009 through March 15, 2010.

FACTUAL ALLEGATIONS

4. On or about February 19, 2013, an individual calling himself Tom Alexander, an employee of Respondent, called an Idaho business for the purpose of collecting an alleged debt. The employee who initially spoke with Mr. Alexander reported that Mr. Alexander said the business owed \$18,890 based on a copyright violation and needed to pay up immediately. He also reported that Mr. Alexander said the matter would be referred to the FBI if the debt was not

paid in the next hour. The employee eventually told Mr. Alexander that there was no copyright violation and hung up the phone.

5. Mr. Alexander called back and spoke with the President of the business. He made the same demands on the President and wanted the business to pay the debt immediately. He told the President that he had his home telephone number and would continue to call the President at his home and at work until the debt was paid. The President disputed the alleged copyright allegation and said he would have the business's attorney look into the matter. He then sent an email to Mr. Alexander providing him with the name, address, and phone number of the business's attorney.

6. The President checked his home answering machine and he had received a collection telephone call from Mr. Alexander. The next day the President's daughter received a telephone call at her home from Mr. Alexander about the alleged debt.

7. Mr. Alexander has not made any subsequent phone calls to the President, the President's family, or any employees of the business.

CONCLUSIONS OF LAW AND VIOLATIONS

UNLICENSED DEBT COLLECTION ACTIVITY IN IDAHO AND FAILURE TO DEAL, OPENLY, FAIRLY AND HONESTLY

8. The allegations set forth in paragraphs 1 through 7 above are fully incorporated herein by this reference.

9. Idaho Code § 26-2222(3) defines "collection activities" to mean "the activities enumerated in subsections (2) through (6) of section 26-2223, Idaho Code." Such definition encompasses the unlicensed collection agency activities engaged in by the Respondent in Idaho.

10. Idaho Code § 26-2223(1) 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:

(1) Operate as a collection agency, debt counselor, credit counselor, or credit repair organization.

(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. Idaho Code § 26-2229A requires every collection agent to deal openly, fairly, and honestly without deception in the conduct of its collection agency business.

12. Respondent's acts of attempting to collect a debt in the State of Idaho without a license under the Act, constitute violations of Idaho Code § 26-2223(1) and (2). Respondent's unlicensed activity is against the public interest.

13. Respondent's actions in this matter violate Idaho Code § 26-2229A. The Respondent threatened to turn the matter over to the FBI unless the Idaho business paid immediately. The Respondent called the President of the business at his home and called the President's daughter. Respondent did not deal openly, fairly nor honestly with the Idaho business. Respondent's actions are against the public interest.

DIRECTOR'S AUTHORITY

14. Idaho Code § 26-2228(2) authorizes the Director of the State of Idaho, Department of Finance (Director) to conduct investigations as necessary to determine whether a person has violated any provision of the Act, a rule promulgated under the Act, or an order issued under the Act.

15. 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 that constitute violations of the Act.

ORDER

The Director, having reviewed the foregoing and having determined that good cause has been shown, that Respondent's violations of the Act require immediate action to protect Idaho residents, and that the public interest is 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) and 67-5247, IT IS HEREBY ORDERED that Respondent and its agents and employees immediately CEASE AND DESIST from any further collection agency activities in Idaho; from any other conduct under the Act for which a license from the Director is required; and from any other violations of the Act.

This ORDER is EFFECTIVE UPON ISSUANCE.

IT IS SO ORDERED.

DATED this 3RD day of APRIL, 2013.



STATE OF IDAHO
DEPARTMENT OF FINANCE

A handwritten signature in black ink, appearing to read "Gavin M. Gee", written over a horizontal line.

GAVIN M. GEE, Director

NOTICE

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

Respondent may file a motion for reconsideration or request for hearing concerning this final order within fourteen (14) days of the service date of this order. Any such motion for reconsideration or request for hearing must be in writing, addressed to:

Michael Larsen
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, Brian D. Nicholas, Deputy Attorney General, at the same address.

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 Department shall schedule a hearing within the twenty-one (21) day time period.

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal to the district court by filing a petition in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

See IDAPA 04.11.01.740.02.b.

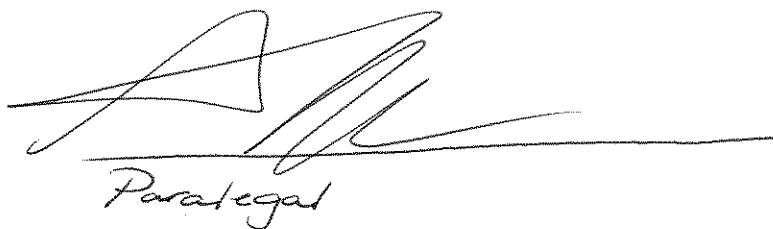
An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration or schedule a hearing, whichever is later. See Idaho Code § 67-5273. The filing of an appeal to the district court does not itself stay the effectiveness or enforcement of the order under appeal. See IDAPA 04.11.01.740.02.c.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of April, 2013, 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:

Regional Adjustment Bureau
3310 Keller Springs Road,
Suite 120
Carrollton, Texas 75006

U.S. mail, postage prepaid
 Certified mail
 Facsimile:
 Email:



Paralegal