

TAMMY Y. KANESHIRO 6287
Regulated Industries Complaints Office
Department of Commerce and Consumer Affairs
State of Hawaii
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 900
Honolulu, Hawaii 96813
Telephone: 586-2660

Attorney for Department of Commerce
and Consumer Affairs

COLLECTION AGENCIES PROGRAM
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Collection Agencies)	COL 2008-31-L
Registration of)	
ALLIED INTERSTATE, INC.,)	SETTLEMENT AGREEMENT AFTER
)	FILING OF PETITION FOR DISCIPLINARY
Respondent.)	ACTION AND DIRECTOR'S FINAL ORDER;
)	EXHIBIT "1"

2414092407

SETTLEMENT AGREEMENT AFTER FILING OF PETITION
FOR DISCIPLINARY ACTION AND DIRECTOR'S FINAL ORDER

Petitioner, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS'
REGULATED INDUSTRIES COMPLAINTS OFFICE (hereinafter "RICO" or "Petitioner"),
through its undersigned attorney, and Respondent ALLIED INTERSTATE, INC. (hereinafter
"Respondent"), enter into this Settlement Agreement on the terms and conditions set forth
below.

A. UNCONTESTED FACTS

1. At all relevant times herein, Respondent was registered by the Collection
Agencies Program (hereinafter the "Program") as a collection agency under Registration Number
COLA 123. The registration was issued on or about July 19, 1996. The registration will expire
on or about June 30, 2012.

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2010 DEC 27 A 9 57

HEARINGS OFFICE

RECEIVED

2011 JAN 10 P 3:10

DEPT. OF COMMERCE
AND CONSUMER AFFAIRS

2. Respondent's business address is Remy Luria, PC, 1188 Bishop Street, Suite 3311, Honolulu, Hawaii 96813.

3. Respondent is being represented by Gregory Harmer, Esq., General Counsel, IQOR, 335 Madison Avenue, New York, New York 10017.

4. On or about July 6, 2010, RICO filed a Petition for Disciplinary Action Against ALLIED INTERSTATE, INC., alleging that Respondent violated, the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") §§ 436B-19(13) (disciplinary action taken in another jurisdiction); 436B-19(15) (failure to report within 30 days); 436B-19(17) (violating chapter, law or rules); 443B-4.57(4) (violation of chapter or rules); 443B-4.57(8) (providing misleading information); and 443B-20 (unfair methods of competition and unfair or deceptive acts or practices). Attached hereto as Exhibit "1" are true and correct copies of the disciplinary actions taken in other jurisdictions.

5. The Program has jurisdiction over the subject matter herein and over the parties hereto.

B. REPRESENTATIONS BY RESPONDENT:

1. Respondent is fully aware that Respondent has the right to be represented by an attorney and is being represented by Gregory Harmer, Esq., General Counsel.

2. Respondent enters into this Settlement Agreement freely, knowingly, voluntarily, and under no coercion or duress.

3. Respondent is aware of the right to have a hearing to adjudicate the issues in the case. Pursuant to HRS § 91-9(d), Respondent freely, knowingly, and voluntarily waives the right

to a hearing and agrees to dispose of this case in accordance with the terms and conditions of this Settlement Agreement.

4. Respondent being at all times relevant herein registered as a collection agency by the Program acknowledges that Respondent is subject to penalties including but not limited to, revocation, suspension or limitation of the registration and administrative fines, if the foregoing allegations are proven at hearing.

5. Respondent admits to the veracity of the allegations and that Respondent's acts violate the following statute(s) and/or rule(s): "HRS" §§ 436B-19(13) (disciplinary action taken in another jurisdiction); 436B-19(15) (failure to report within 30 days); 436B-19(17) (violating chapter, law or rules); 443B-4.57(4) (violation of chapter or rules); 443B-4.57(8) (providing misleading information); and 443B-20 (unfair methods of competition and unfair or deceptive acts or practices.).

6. Respondent represents that it inadvertently failed to report the disciplinary actions in other jurisdictions to the licensing authority within 30 days of the disciplinary action.

7. Respondent enters into this Settlement Agreement as a compromise of the claims and to conserve on the expenses of proceeding with an administrative hearing on this matter.

8. Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. COL 2008-31-L.

9. Respondent understands this Settlement Agreement is public record pursuant to Hawaii Revised Statutes chapter 92F.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondent agrees to pay a fine in the amount of SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$7,500.00). Payment shall be made by **cashier's check or money order made payable to "DCCA - Compliance Resolution Fund"** and mailed to the Regulated Industries Complaints Office, Attn: Tammy Y. Kaneshiro, Esq., 235 S. Beretania Street, 9th Floor, Honolulu, Hawaii 96813. Payment of the fine shall be due at the time this fully executed Settlement Agreement is returned to RICO.

2. Failure to Comply with Settlement Agreement. If Respondent fails to fully and timely comply with the terms of this Settlement Agreement as set forth in paragraph(s) C.1. above, Respondent's registration shall be automatically revoked upon RICO's filing of an affidavit with the Program attesting to such failure. In case of such revocation, Respondent shall turn in all indicia of the registration to the Executive Officer of the Program within ten (10) days after receipt of notice of the revocation. In case of such revocation, Respondent understands Respondent cannot apply for a new registration until the expiration of at least five (5) years after the effective date of the revocation. Respondent understands that if Respondent desires to become registered again, Respondent must apply to the Program for a new registration pursuant to and subject to HRS §§ 92-17, 436B-21, and all other applicable laws and rules in effect at the time.

3. Possible further sanction. The Program, at its discretion, may pursue additional disciplinary action as provided by law to include further fines and other sanctions as the Program may deem appropriate if Respondent violates any provision of the statutes or rules governing the

conduct of collection agencies in the State of Hawaii, or if Respondent fails to abide by the terms of this Settlement Agreement.

4. Approval of the Program. Respondent agrees that, except for the representations, agreements and covenants contained in Paragraphs C.5., C.6., C.7. and C.8. below, this Settlement Agreement shall not be binding on any of the parties unless and until it is approved by the Program.

5. No Objection if the Program Fails to Approve. If the Program does not approve this Settlement Agreement, does not issue an order pursuant thereto, or does not approve a lesser remedy, but instead an administrative hearing is conducted against Respondent in the Program's usual and customary fashion pursuant to the Administrative Procedure Act, Respondent agrees that neither Respondent, nor any attorney that Respondent may retain, will raise as an objection in any administrative proceeding or in any judicial action, to the Program's proceeding against Respondent on the basis that the Program has become disqualified to consider the case because of its review and consideration of this Settlement Agreement.

6. Any Ambiguities Shall be Construed to Protect the Consuming Public. It is agreed that any ambiguity in this Settlement Agreement is to be read in the manner that most completely protects the interests of the consuming public.

7. No Reliance on Representations by RICO. Other than the matters specifically stated in this Settlement Agreement, neither RICO nor anyone acting on its behalf has made any representation of fact, opinion or promise to Respondent to induce entry into this Settlement Agreement, and Respondent is not relying upon any statement, representation or opinion or promise made by RICO or any of its agents, employees, representatives or attorneys concerning

the nature, extent or duration of exposure to legal liability arising from the subject matter of this Settlement Agreement or concerning any other matter.

8. Complete Agreement. This Settlement Agreement is a complete settlement of the rights, responsibilities and liabilities of the parties hereto with respect to the subject matter hereof; contains the entire agreement of the parties; and may only be modified, changed or amended by written instrument duly executed by all parties hereto.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date(s) set forth below.

DATED: NEW YORK, NY, 12/21/10.
(City) (State) (Date)

ALLIED INTERSTATE, INC.

By: Meggy E. Harmer
Its VP

DATED: Honolulu, Hawaii, 12/21/10.

Tammy Y. Kaneshiro
TAMMY Y. KANESHIRO
Attorney for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:

Meggy E. Harmer
GREGORY HARMER, Esq.
Attorney for Respondent

IN THE MATTER OF THE COLLECTION AGENCIES REGISTRATION OF ALLIED
INTERSTATE, INC.; SETTLEMENT AGREEMENT AFTER FILING OF PETITION FOR
DISCIPLINARY ACTION AND DIRECTOR'S FINAL ORDER; CASE NO. COL 2008-31-L

REVIEWED AND RECOMMENDED FOR CONSIDERATION:



CRAIG H. UYEHARA
Hearings Officer

DEC 27 2010

DATE

APPROVED AND SO ORDERED:
COLLECTION AGENCIES PROGRAM
STATE OF HAWAII



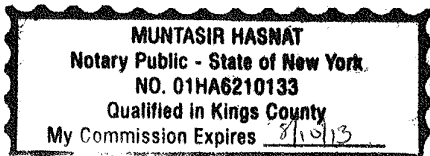
Director of the Department of Commerce
and Consumer Affairs


DEC 29 2010

DATE

STATE OF New York)
)
COUNTY OF New York) SS.

On this 22nd day of December, 2010, before me
personally appeared Gregory Hazman, to me known to be the person described,
and who executed the foregoing instrument on behalf of Allied Interstate
as Vice-President, and acknowledged that he/she executed the same as
his/her free act and deed.




Name: MUNTASIR HASNAT
Notary Public, State of New York
My Commission expires: 8/10/13

MINNESOTA
DEPARTMENT OF
COMMERCE

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-3165
www.commerce.state.mn.us
651.296.4026 FAX 651.297.1959
An equal opportunity employer

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

CERTIFICATE

In the Matter of the Collection Agency
License of Allied Interstate, Inc.

Our File Nos.: 2105681 & 2107013

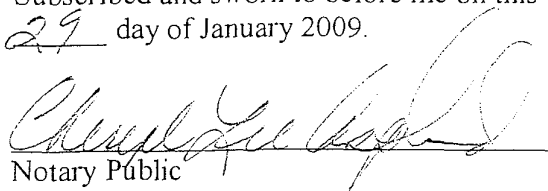
I, the undersigned, Heidi Retterath, Data Practices Compliance Official - Office of the Deputy Commissioner, Minnesota Department of Commerce, do hereby certify that the attached document is a true and accurate copy of the original on file here at the Minnesota Department of Commerce.

IN WITNESS WHEREOF, I have to this certificate set my hand and affixed the seal of said Department at the City of Saint Paul, State of Minnesota, on this 29 day of January 2009.


HEIDI RETTERATH

Data Practices Compliance Official
Office of the Deputy Commissioner
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
Saint Paul, Minnesota 55101

Subscribed and sworn to before me on this
29 day of January 2009.


Notary Public

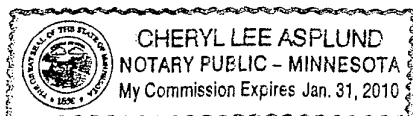


EXHIBIT "1"

CA2105681 KRJ
CA2206136 KRJ

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Collection Agency
Licenses of Allied Interstate, Inc.,
License Numbers. CA20195092
and CA20344281

CONSENT ORDER

TO: Allied Interstate Inc.	Allied Interstate Inc.
3111 S. Dixie Hwy, Suite 101B	30699 Russel Ranch Road
West Palm Beach, FL 33405	Westlake Village, CA 91362

Commissioner of Commerce James C. Bernstein (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised Allied Interstate Inc. that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2002) and other applicable law, against Allied Interstate Inc.'s collection agency license based on the allegation that Allied Interstate Inc.'s debt collector threatened a debtor with actions it could not or did not intend to take in violation of Minn. Stat. §§ 332.37 (1)(3)(12) and 332.355 (2002).
2. It is further alleged that Allied Interstate Inc. engaged in debt collection activities at their 30669 Russel Ranch Road, Westlake Village CA location prior to applying for and obtaining a collection agency license in violation of Minn. Stat. § 332.33 subd. 1 (2002).
3. It is further alleged that Allied Interstate Inc. allowed debt collectors to engage in debt collection activities in the State of Minnesota prior to applying for and obtaining debt collector licenses in violation of Minn. Stat. § 332.33. subd. 1 (2002).
4. It is further alleged that Allied Interstate Inc. violated Minn. Stat. § 45.027 subd. 1a (2002) by not responding to the Department's request for information and documents in the timeline outlined.

5. Allied Interstate Inc. acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Allied Interstate Inc. hereby expressly waives those rights. Allied Interstate Inc. further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.

6. Allied Interstate Inc. has agreed to informal disposition of this matter without a hearing as provided in Minn. Stat. § 14.59 (2002) and Minn. R. 1400.5900 (2001).

7. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. § 45.027, subd. 7 (2002) that Allied Interstate Inc. is censured.

IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 5 (2002) that Allied Interstate Inc. shall cease and desist from any further violations of Minn. Stat., ch. 332 (2002) and comply with all other laws of the State of Minnesota.

IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2002) that Allied Interstate Inc. shall pay to the State of Minnesota a civil penalty of \$20,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 11/05/02.

JAMES C. BERNSTEIN
Commissioner

By:

GARY A. LAVASSEUR
GARY A. LAVASSEUR
Deputy Commissioner
Enforcement Division

85 Seventh Place East, Suite 500
Saint Paul, Minnesota 55101
Telephone: (651)296-2594

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Allied Interstate Inc., states that he has read the foregoing Consent Order; that he knows and fully understands its contents and effect; that he is authorized to execute this Consent to Entry of Order on behalf of Respondent; that he has been advised of Respondent's right to a hearing; that Respondent has been represented by legal counsel in this matter; or that he has been advised of Respondent's right to be represented by legal counsel and that he has waived this right; and that he consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

By: Stanley R. Fish
Its: Secretary

STATE OF Ohio
COUNTY OF FRANKLIN

This instrument was acknowledged before me on 10-28-02 (date) by Stanley R. Fish
(name(s) of person(s)) as Secretary (type of authority, e.g., officer, trustee, etc.) of
Allied Interstate Inc. (name of party on behalf of whom the instrument was executed).

(stamp)



BRIE D. CORNELL
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES APRIL 16, 2003

Brie D. Cornell
(Signature of notary officer)
Legal Secretary
Title (and Rank)
My commission expires: 4-16-03

CA2107013/LJ

RECEIVED 001 2000

STATE OF MINNESOTA
COMMISSIONER OF COMMERCE

In the Matter of the Collection
Agency License of Allied
Interstate, Inc., License
#8000032.

CONSENT ORDER

TO: Allied Interstate, Inc.
435 Ford Road #800
St. Louis Park, MN 55426

Commissioner of Commerce James C. Bernstein (hereinafter "Commissioner")
has determined as follows:

1. The Commissioner has advised Allied Interstate, Inc. (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. §45.027 (2000) against Respondent's collection agency license based on allegations that Respondent failed to cease communication with a debtor regarding a disputed debt until validation was received from the client and forwarded to the debtor in violation of Minn. Stat. §332.37 (12) (2000).

2. Respondent acknowledges that it has been advised of its rights to a hearing in this matter, to present argument to the Commissioner and to appeal from any adverse determination after a hearing, and Respondent hereby expressly waives those rights. Respondent further acknowledges that it has been represented by legal counsel throughout these proceedings, or has been advised of its right to be represented by legal counsel, which right it hereby waives.

3. Respondent has agreed to disposition of this matter by means of this Consent Order, without a hearing as provided under Minn. Stat. §14.59 (2000) and Minn. R. pt. 1400.5900 (1999).

4. The following Order is in the public interest.


NOW, THEREFORE, IT IS HEREBY ORDERED, that Respondent shall cease from any further violations of collection agency laws in the State of Minnesota.

IT IS FURTHER ORDERED, that Respondent shall pay to the State of Minnesota, a civil penalty of \$3,000.

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 11-20-01

JAMES C. BERNSTEIN
Commissioner

By: 
GARY A. LaVASSEUR
Deputy Commissioner
Enforcement Division

85 7th Place East, Suite 500
Saint Paul, Minnesota 55101
Telephone: (651) 296-2594

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of Allied Interstate Inc. states the foregoing Consent Order has been read; the contents and effects are fully understood; and that the Respondent has authorized the undersigned to execute this Consent to Entry of Order on behalf of Respondent; and that the Respondent has been advised of its right to a hearing; that Respondent has been represented by legal counsel in this matter; or that Respondent has been advised of its right to be represented by legal counsel and that this right has been waived; and that Respondent consents to entry of this Order by the Commissioner of Commerce. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

ALLIED INTERSTATE, INC.

By: Jeff Swedberg
Its: Chief Operating Officer

STATE OF MINNESOTA)
) ss.
COUNTY OF Hennepin

This instrument was acknowledged before me
on 11/2/01 (date) by Jeff Swedberg (name(s) of person(s))
as C.O.O. (type of authority, e.g., officer, trustee, etc.) of Allied Interstate, Inc. (name
of party on behalf of whom the instrument was executed).

(stamp)



John K. Trautmann
(signature of notarial officer)
FDCPA Compliance
Title (and Rank)
My commission expires: 1-31-05

CA2107013/LJ

80/24
RECEIVED

OCT 31 2001

STATE OF MINNESOTA
COMMISSIONER OF COMMERCE

In the Matter of the Collection
Agency License of Allied
Interstate, Inc., License
#8000032.

CONSENT ORDER

TO: Allied Interstate, Inc.
435 Ford Road #800
St. Louis Park, MN 55426

Commissioner of Commerce James C. Bernstein (hereinafter "Commissioner")

has determined as follows:

1. The Commissioner has advised Allied Interstate, Inc. (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. §45.027 (2000) against Respondent's collection agency license based on allegations that Respondent failed to cease communication with a debtor regarding a disputed debt until validation was received from the client and forwarded to the debtor in violation of Minn.

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

IntelliRisk Management Corporation
3000 Corporate Exchange Drive
Columbus, OH 43231

National City Bank
Ashland, Ohio
56-389/412

19312

October 31, 2001

*** THREE THOUSAND AND 0/100

TO THE
DEB OF

State of Minnesota
Department of Commerce

\$ *****3,000.00

DOLLARS

Earl L. Swann

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

019312

0041203895

0162149



JOHN W. SUTHERS
Attorney General

CYNTHIA H. COFFMAN
Chief Deputy Attorney General

DANIEL D. DOMENICO
Solicitor General

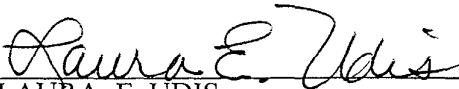
STATE OF COLORADO
DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 7th Floor
Denver, Colorado 80203
Phone (303) 866-4500

December 22, 2008

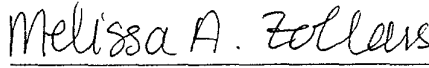
I, Laura E. Udis, Administrator of the Colorado Fair Debt Collection Practices Act, hereby certify that Denise A. Chelius, Program Assistant I, is the Custodian of the Records of the Colorado Fair Debt Collection Practices Act and that the attached document contains her signature.



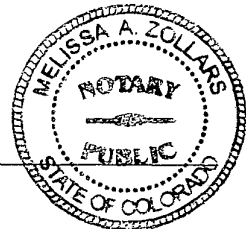
LAURA E. UDIS

Administrator
Colorado Fair Debt Collection Practices Act
Telephone: (303) 866-5706

Subscribed and sworn to before me in the County of Denver, State of
Colorado, this 22nd day of December 2008.



NOTARY PUBLIC



MY COMMISSION EXPIRES:

May 25, 2011

My Commission Expires May 25, 2011



JOHN W. SUTHERS
Attorney General

CYNTHIA H. COFFMAN
Chief Deputy Attorney General

DANIEL D. DOMENICO
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 7th Floor
Denver, Colorado 80203
Phone (303) 866-4500

December 22, 2008

Deron A.S. Saiki, Investigator
State of Hawaii
Regulated Industries Complaints Office
Department of Commerce and Consumer Affairs
235 S. Beretania Street, Ninth Floor
Honolulu, HI 96813

RE: Allied Interstate, Inc.

Dear Ms. Saiki:

As Custodian of the Records of the Colorado Fair Debt Collection Practices Act, I hereby certify that the attached documents are true and accurate photocopies of records that are currently on file with the Colorado Fair Debt Collection Practices Act.

DENISE A. CHELIUS
Program Assistant I
Colorado Fair Debt Collection Practices Act
Telephone: (303) 866-5706
cab@state.co.us

Subscribed and sworn to before me in the County of Denver, State of Colorado, this 22nd
day of December 2008.

NOTARY PUBLIC



MY COMMISSION EXPIRES:

May 25, 2011

My Commission Expires May 25, 2011



KEN SALAZAR
Attorney General

BARBARA McDONNELL
Chief Deputy Attorney General

MICHAEL E. McLACHLAN
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 5th Floor
Denver, Colorado 80203
Phone (303) 866-4500
FAX (303) 866-5691

February 10, 1999
Certified Mail #Z 343 451 637

Ben Lewis, Collection Manager
Allied Interstate, Inc.
435 Ford Road, 800 Interchange West
Minneapolis, MN 55426

RE: Letter of Admonition - Section 12-14-105 (3) (c), C.R.S.
Collection Agency License #101716

Dear Mr. Lewis:

This office is in possession of the enclosed validation notice sent by your office to Jesus Hernandez on December 11, 1998. A copy of this notice is enclosed for your review. This notice does not comply with the Colorado Fair Debt Collection Practices Act. Section 12-14-105 (3) (c) of the Act requires the agency to include in its initial communication with the consumer, disclosures regarding the consumer's right to request the agency cease communication at their place of employment, cease all communication, refuse to pay and the consequences thereof. The December 11, 1998 notice does not contain these advisories. These omissions are violations of the Colorado Fair Debt Collection Practices Act. As a result, this letter of admonition is issued pursuant to §12-14-130 (10), C.R.S. (1998).

You may appeal the issuance of this letter of admonition by filing a written request for a hearing with the Collection Agency Board. The request must be received within forty (40) days of the date of this letter and mailed to the address printed on this letter. A formal complaint will then be issued and the case will be set for a full disciplinary hearing.

Sincerely,

LAURA E. UDIS
Executive Director
Collection Agency Board
(303) 866-5706
(303) 866-5691 (FAX)



THIS HAS BEEN SENT BY A COLLECTION AGENCY. ALLIED INTERSTATE, INC.

ALLIED INTERSTATE, INC.

435 FORD ROAD • SUITE 800 • MINNEAPOLIS, MN 55426-1090 • (612) 546-5100

Allied Interstate, Inc. is licensed by: Colorado Collection Agency board
1525 Sherman Street 5th Floor Denver, CO 80203
(Do not send payments to this address)

AMERICAN COLLECTORS

association, inc.

37776404

0004558 S1 T16

JESUS HERNANDEZ
236 S LOGAN ST APT# 308
DENVER CO 80209-1800

Client Name: Qwest Communications
Amount Due: \$25.59
Client Ref Number: 37776404
Date: 12/11/98

|||||

This is an attempt to collect a debt. Any information obtained will be used for that purpose.

We have been informed that you have not responded to our clients request for payment of the above balance. Your cooperation is necessary to avoid further collection activity. Send your check or money order payable to our client for the full amount due. We have pre-addressed the lower half of this letter and included a return envelope for your mailing convenience. If you have any questions regarding this past due amount, please contact Payment Services at (800) 519-9709.

When your obligation has been paid in full, we will clear this record from our files.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of the debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that the debt, or any portion thereof, is disputed, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request of this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

Return the lower portion of this notice with payment in full in the enclosed envelope.

703-7



KEN SALAZAR
Attorney General
DONALD S. QUICK
Chief Deputy Attorney General
ALAN J. GILBERT
Solicitor General

STATE OF COLORADO
DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

STATE SERVICES BUILDING
1525 Sherman Street - 5th Floor
Denver, Colorado 80203
Phone (303) 866-4500
FAX (303) 866-5691

October 9, 2003

Certified Mail # 7099 3400 0013 9904 8161

Allied Interstate, Inc.
John Trautmann
Central Region FDCPA Compliance
800 Interchange West
435 Ford Rd.
Minneapolis, MN 55426

RE: Letter of Admonition – Complaint of Michael Lucero
Section 12-14-105(3)(a)(I), C.R.S.
Section 12-14-106(1)(e), C.R.S.
Collection Agency License # 101716

Dear Mr. Trautmann:

This office has reviewed the complaint filed against your collection agency by the above-referenced consumer, your agency's response, and any other investigatory information gathered. The consumer complained that your agency continued to call him at work (the military) about a credit card debt after he asked for no calls at work, that the calls were harassing, and threatened to garnish his wages. The collector involved denied the allegations in a written statement. He asserts that the consumer never previously requested no calls be made to him at work and that when the consumer did send a letter asking to stop calls to his workplace, that number was removed. Your response states that the behavior alleged by the consumer, if true, would not be tolerated.

On January 30, 2002 you received the consumer's letter asking that no calls be made to him at work and this was noted in your agency's records. However, your agency called the consumer at work on February 20, 2002 and left a message to call. On March 8, 2002, your agency again called the consumer at work and spoke with him. In fact, the February 20, 2002 call was placed by collector Ed Potts who provided the statement summarized above that had a written request to cease calls at work been received, it would have been honored.¹

¹ Your records note the consumer verbally advised you of this on January 25, 2002. They do not reflect whether the collector advised the consumer to put his request in writing, at that time a requirement of section 12-14-105(3)(d), C.R.S. That section has since been amended and no longer contains the verbal advisory requirement.

At the time these calls were made, section 12-14-105(3)(a)(I) of the Colorado Fair Debt Collection Practices Act ("CFDCPA") stated²:

- (3)(a) If a consumer notifies a debt collector or collection agency in writing that:
 - (I) The consumer wishes the collection agency to cease contact by telephone at the consumer's residence or place of employment, then no such further contact by telephone shall be made.

The two calls your agency placed to the consumer's place of employment violated this section.

In addition, the number of calls made to the consumer at home, to his cell phone, and to his workplace was excessive and constituted harassment. In the two-month period between January 8 and March 8, 2002, your collectors called the consumer a total of 62 times when messages were left or actual contact was made. This number does not include calls with no message left or return calls made by the consumer to your agency. This number equates to one call per day. Sometimes calls were placed on the same day to the consumer's home and cell phone and messages left in both places, but this would still be approximately 30 calls or an average of one call every other day for two months. This number is excessive, especially because there appeared to be no need for many of the calls. You knew the consumer was applying for loans, informing you of their status, and making payments. For example, after your agency received a payment of \$1,000 on January 30, 2002, a collector called him that evening.

Section 12-14-106(1)(e), C.R.S. states that:

- (1) A debt collector or collection agency shall not engage in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt, including, but not limited to, the following conduct:
 - (3) Causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the called number.

Placing 62 calls to the consumer within two months under these circumstances would cause a reasonable person, and certainly the least sophisticated consumer (the standard for FDCPA violations), to believe that the calls were for the purpose of annoyance or harassment.

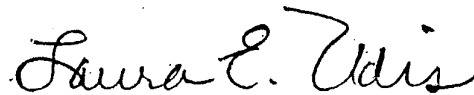
Finally, although not a basis for this admonishment, it is clear that your collection records are not accurate on this account. Collector Ed Potts said he never spoke about garnishing the consumer's wages but the records from the first January 8, 2002 call stated that Mr. Potts advised the consumer about a specific section of the Uniform Code of Military Justice on military garnishments. In addition, your notes reflect only one call made by Mr. Potts to the consumer at work on January 25, 2002. However, the consumer said Mr. Potts called six times in a row and that the consumer answered each call. This is confirmed by the statements of his two military co-workers and/or superiors. The January 25, 2002 call is the one in which your notes reflect the

² This section was changed somewhat by House Bill 03-1219 effective May 21, 2003 when the bill was signed into law.

consumer's verbal request to cease calls at work. It appears that the 62 calls described above are not the complete number of calls your collectors made. Collection Agency Board Rule 2.07 requires a collection agency to maintain accurate records of all communication with consumers for two years after the date of the communication. You must ensure that your collection notes are complete and accurate.

You may appeal the issuance of this letter of admonition by filing a written request for a hearing. The request must be received within forty (40) days of the date of this letter and mailed to the address printed on this letter. A formal complaint will then be issued and the case will be set for an administrative hearing.

Sincerely,

A handwritten signature in cursive script that reads "Laura E. Udis".

LAURA E. UDIS
Administrator
Collection Agency Board
(303) 866-5706
(303) 866-5691 (FAX)

cc: Michael Lucero

BEFORE THE ADMINISTRATOR

UNIFORM CONSUMER CREDIT CODE

STIPULATION

In the Matter of:

ALLIED INTERSTATE, INC., Respondent.

This Stipulation is entered into by Allied Interstate, Inc. ("Respondent") and the Administrator of the Uniform Consumer Credit Code ("Administrator") to resolve issues raised in the Administrator's investigation of consumer complaints received against Respondent.

SECTION I
Representations

1. The Administrator of the Uniform Consumer Credit Code is authorized to license collection agencies and enforce the Colorado Fair Debt Collection Practices Act pursuant to sections 12-14-103(1), 12-14-117, and 12-14-130, C.R.S.
2. Respondent is a licensed Colorado collection agency with license number 101716. The Administrator has received and investigated various consumer complaints about Respondent's collection practices.
3. The Administrator has previously issued the following two letters of admonition to Respondent under the Colorado Fair Debt Collection Practices Act, section 12-14-101 et seq., C.R.S. ("CFDCPA"). The admonishments were issued on February 10, 1999 for failure to comply with CFDCPA section 12-14-105 (3)(c) (regarding the failure to disclose a consumer's right to request cease communication and refusal to pay in the agency's initial written communication); and on October 9, 2003 for failure to comply with CFDCPA section 12-14-105 (3)(a)(I) (regarding a consumer's request to cease communication at his place of employment) and CFDCPA section 12-14-106 (1)(e) (regarding excessive phone calls to the consumer's residence amounting to harassment).
4. The Administrator has reviewed and investigated the consumer complaints listed below.
5. Complaint of Melvin Gordon. On October 2, 2003, the consumer's wife authorized auto-pay payments from their checking account for October 15, 2003, November 15, 2003, and

December 15, 2003. On January 2, 2004, the consumer authorized another auto-pay payment and Respondent also debited funds from the consumer's account in February and March 2004. The consumer disputed some of these debits. Respondent failed to comply with CFDCPA section 12-14-108 (1)(b), requiring the agency to give written notice of its intent to deposit an instrument not more than ten nor less than three business days prior to such deposit when a collection agency accepts a payment instrument postdated by more than five days.

In addition, Respondent violated Rule 2.14 of the Rules of the Administrator by failing to obtain confirmation of the consumer's verbal payment authorization. Violation of a rule is a violation of CFDCPA section 12-14-128(4)(a).

6. Complaint of Diane Rieck. On June 16, 2004, the consumer sent a timely letter to Respondent disputing the validity of the debt and requesting verification. Respondent admitted that it received the consumer's dispute letter on June 21, 2004. Respondent violated CFDCPA Section 12-14-109 (2), when it continued to engage in collection activity without first verifying the debt by sending the consumer a letter dated July 2, 2004, that demanded payment of the outstanding debt and threatened that the creditor would report the debt to the credit bureaus.
7. Complaint of Donald C. Rose. Respondent started calling the consumer's telephone number on August 5, 2004 in order to locate a debtor with a similar name. On August 9, 2004, Respondent called the consumer's telephone number and was told it had the wrong number and that the person on the phone had never heard of the debtor. Despite that message, Respondent made at least 12 calls to the consumer's telephone number after August 9, 2004 and messages were left in some of the calls. Respondent's calls violated CFDCPA section 12-14-104 (1)(c), which prohibits a collection agency from communicating with any person more than once for the purpose of acquiring location information unless requested to do so by such person or when the collection agency reasonable believes that the earlier response of such person is erroneous or incomplete and that such person now has correct or complete information.

In addition, on October 18, 2004, Respondent received the consumer's cease communications letter. Despite receipt of that letter, Respondent continued to make telephone calls to the consumer from October 19, 2004 until November 5, 2004. Respondent's calls violated CFDCPA section 12-14-105 (3)(a) which provides that if a consumer notifies a collection agency in writing to cease further communication with the consumer, the collection agency shall not communicate any further with the consumer.

8. Complaint of Linda Lee. On September 21, 2004, the consumer authorized an auto-pay payment for September 30, 2004 for her daughter's account. Respondent failed to comply with CFDCPA section 12-14-108 (1)(b), requiring the agency to give written notice of its intent to deposit an instrument not more than ten nor less than three business days prior to such deposit when a collection agency accepts a payment instrument postdated by more than five days.

In addition, Respondent violated Rule 2.14 of the Rules of the Administrator by failing to obtain confirmation of the consumer's verbal payment authorization. Violation of a rule is a violation of CFDCPA section 12-14-128(4)(a).

SECTION II

Terms

In full settlement of the issues raised in this matter, the parties agree as follows:

9. Respondent neither admits nor denies the allegations of the Administrator contained herein. This Stipulation is intended to fully resolve all issues between the Administrator and Respondent arising under the Colorado Fair Debt Collection Practices Act involving the above-referenced consumer complaints, and over which the Administrator has jurisdiction and will not be deemed an admission by Respondent of any violation of the Act or any other law or regulation.
10. Respondent will pay to the Administrator the amount of seven thousand dollars (\$7,000.00) to be used on a pro-rata basis as consumer redress for the consumers listed in paragraphs 5-8. The Administrator will use reasonable efforts to locate these consumers. If the consumers have not cashed the redress checks within 60 days after mailing, those sums shall be deposited into the fund described in paragraph 11.
11. In addition to the amount described in paragraph 10 above, Respondent will pay the sum of three thousand dollars (\$3,000.00) to the Administrator. This amount shall first be used for reimbursement of the Administrator's costs and expenses incurred in this matter and the remainder shall be credited to the state general fund pursuant to section 12-14-136(2), C.R.S.
12. This Stipulation must be disclosed in any subsequent new or renewal application to the Administrator in response to any question regarding state disciplinary or administrative action.

14. Colorado law governs this Stipulation. Any claims or causes of action arising out of or based upon this Stipulation shall be commenced before the Colorado Division of Administrative Hearings or in Denver District Court for the State of Colorado, as appropriate. Respondent hereby consents to the jurisdiction, venue and process of the Colorado Division of Administrative Hearings and the Denver District Court.

15. This Stipulation represents the entire agreement between the parties and is binding upon all heirs, agents and successors of the parties.

ALLIED INTERSTATE, INC.

ADMINISTRATOR, UNIFORM
CONSUMER CREDIT CODE

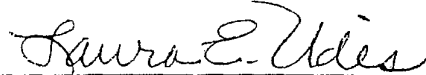
By: 

JEFF SWEDBERG

President

435 Ford Road
Minneapolis, MN 55426

Date: April 12, 2005



LAURA E. UDIS

1525 Sherman Street, 5th Floor
Denver, Colorado 80203

Date: 4/20/05

BEFORE THE ADMINISTRATOR

COLLECTION AGENCY BOARD

STIPULATION

In the Matter of:

ALLIED INTERSTATE, INC., Respondent.

This Stipulation is entered into by Allied Interstate, Inc. ("Respondent") and the Administrator of the Collection Agency Board ("Administrator") to resolve issues raised in the Administrator's investigation of consumer complaints received against Respondent.

SECTION I
Representations

1. The Administrator of the Collection Agency Board is authorized to license collection agencies and enforce the Colorado Fair Debt Collection Practices Act pursuant to sections 12-14-103(1), 12-14-117, and 12-14-130, C.R.S.
2. Respondent is a licensed Colorado collection agency with license number 101716. The Administrator has received and investigated various consumer complaints about Respondent's collection practices.
3. The Administrator has previously issued the following two letters of admonition to Respondent under the Colorado Fair Debt Collection Practices Act, section 12-14-101 et seq., C.R.S. ("CFDCPA"). The admonishments were issued on February 10, 1999 for failure to comply with CFDCPA section 12-14-105 (3)(c) (no disclosure of a consumer's right to request cease communication and refusal to pay in the agency's initial written communication); and on October 9, 2003 for failure to comply with CFDCPA section 12-14-105 (3)(a)(I) (continued communication after a consumer's request to cease communication at his place of employment) and CFDCPA section 12-14-106 (1)(e) (excessive phone calls to the consumer's residence amounting to harassment).
4. The Respondent entered into a Stipulation with the Administrator on April 20, 2005 relating to allegations of various violations of the Colorado Fair Debt Collection Practices including failure to cease communications. Without admitting such allegations Respondent agreed to pay \$10,000.00 as consumer redress and reimbursement of the Administrator's costs and expenses.

5. The Administrator has reviewed and investigated the consumer complaints listed below.
6. Complaint of Gilbert Davis. On July 23, 2004, Respondent sent its first notice letter to the consumer. On December 20, 2004, the consumer sent by mail a written notice to cease communications to Respondent's offices in Minnesota. Also on the same date, the consumer transmitted by facsimile a copy of the cease communications notice to Respondent's Minnesota location at (952) 595-2018. On December 27, 2004, the consumer then mailed a second cease communications request to Respondent's Ohio office. Respondent continued to contact the consumer by telephone on December 30, 2004, January 3, 5, 6, & 26, 2005 and on February 9, 2005. Although the Respondent states it never received either of the two mailed notices or the faxed notice, the fax transmission appeared to be successful. Respondent's calls to the consumer after receipt of the consumer's cease communications notice violated CFDCPA section 12-14-105 (3)(a).
7. Complaint of Marc & Barbara Jaramillo. Respondent received an account for a debt incurred by a certain Victor Jaramillo with an address in Thornton, Colorado. In its effort to locate Victor Jaramillo, Respondent started calling the consumers' home telephone on November 18, 2004 and left a message. The calls continued through April 12, 2005 at a frequency of three to four calls a week with messages left on most of the calls. On February 9, 2005, the consumer sent by certified mail written cease communications notices to the Respondent's locations in Minnesota and in Florida. Both cease communications notices were delivered and received by Respondent on February 14, 2005. Respondent's collection records do not indicate receipt of the cease communications notices. Respondent resumed contacting the consumers by telephone and left them messages from February 16, 2005 until April 12, 2005.

Respondent's calls to the consumers after receipt of their cease communications notices violated CFDCPA section 12-14-104 (1)(c) and section 12-14-105 (3)(a).

SECTION II

Terms

In full settlement of the issues raised in this matter, the parties agree as follows:

8. This matter is intended to fully resolve all issues between the Administrator and Respondent arising under the Colorado Fair Debt Collection Practices Act involving the above-referenced consumer complaints, and over which the Administrator has jurisdiction.

9. Respondent will pay the Administrator the amount of three thousand five hundred dollars (\$3,500.00) to be used on a pro-rata basis as consumer redress for the consumers listed in paragraphs 6 and 7. The Administrator will use reasonable efforts to locate these consumers. If the consumers have not cashed the redress checks within 60 days after mailing, those sums shall be deposited into the state general fund pursuant to § 12-14-136 (2), C.R.S.
10. In addition to the amount described in paragraph 9 above, Respondent will pay an administrative fine in the amount of five thousand dollars (\$5,000.00) payable to the Colorado Collection Agency Board. Pursuant to § 12-14-136 (2), C.R.S., the fine shall be deposited into the state general fund.
11. This Stipulation must be disclosed in any subsequent new or renewal application to the Administrator in response to any question regarding state disciplinary or administrative action.
12. Respondent acknowledges it has a right to request an evidentiary hearing in this matter, present evidence, examine witnesses, and appeal from any adverse action and waives those rights.
13. Colorado law governs this Stipulation. Any claims or causes of action arising out of or based upon this Stipulation shall be commenced before the Colorado Division of Administrative Hearings or in Denver District Court for the State of Colorado, as appropriate. Respondent hereby consents to the jurisdiction, venue and process of the Colorado Division of Administrative Hearings and the Denver District Court.
14. This Stipulation represents the entire agreement between the parties and is binding upon all heirs, agents and successors of the parties.

ALLIED INTERSTATE, INC.

By: *Gregory E. Harmer*
GREGORY E. HARMER
Vice-President

435 Ford Road
Minneapolis, MN 55426

Date: 7.21.05

ADMINISTRATOR,
COLLECTION AGENCY BOARD

Laura E. Udis
LAURA E. UDIS

1525 Sherman Street, 5th Floor
Denver, Colorado 80203

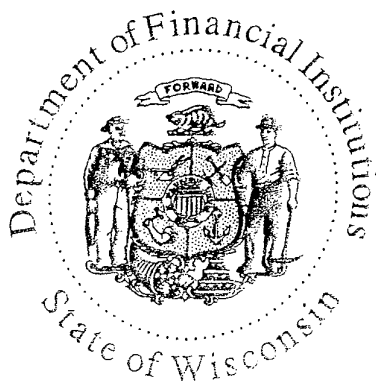
Date: 7/22/05



TO WHOM IT MAY CONCERN:

The State of Wisconsin, Department of Financial Institutions, Division of Banking, does hereby certify that an exact copy of the Order issued against Allied Interstate, Inc. on May 29, 2007, is hereby attached.

Dated at Madison, Wisconsin, this 4th day of August 2008.

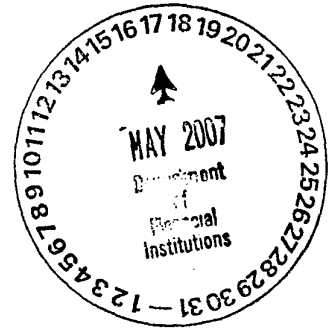


RECEIVED
PROF & VOCATIONAL
LICENSING DIVISION
2008 AUG -1 A 10:54
DEPT OF COMMERCE
& FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

MICHAEL J. MACH, ADMINISTRATOR OF BANKING
DEPARTMENT OF FINANCIAL INSTITUTIONS

ORDER

BEFORE THE ADMINISTRATOR
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF BANKING



TO: Allied Interstate, Inc.
435 Ford Road, Suite 800
Minneapolis, MN 55426-1096
Respondent

5/29/07 - Sent Regular
Mail to Gregory Harmer

PURPOSE

1. This is an order issued by the Administrator, State of Wisconsin, Department of Financial Institutions, Division of Banking and directed to respondent.

JURISDICTION and AUTHORITY

2. The State of Wisconsin, Department of Financial Institutions, Division of Banking ("division") shall enforce all laws relating to collection agencies in the State of Wisconsin, and shall enforce and cause to be enforced every law relating to the supervision and control thereof, pursuant to s. 220.02(2)(b), Stats.
3. The intent of s. 220.02(2)(b), Stats., is to give the division jurisdiction to enforce and carry out all laws relating to collection agencies in the State of Wisconsin, pursuant to s. 220.02(3), Stats.
4. The division shall have the duty, power, jurisdiction and authority to investigate, ascertain and determine whether s. 218.04, Stats., or lawful orders issued hereunder are being violated and for such purposes the division shall have all the powers conferred by ss. 218.04(4) and (5), Stats., pursuant to s. 218.04(13), Stats.
5. Respondent is not licensed under s. 218.04, Stats., with the division. Upon information and belief, respondent is located at the address indicated above.
6. Respondent is a regulated entity under the supervision and control of the division. Sec. 220.04(9)(a)2., Stats.
7. The division may issue and serve on the official or regulated entity an order to cease and desist from the violation or practice. The order may require the official or regulated entity to correct the conditions resulting from the violation or practice. Sec. 220.04(9)(d), Stats.
8. As part of any such order, the division may impose a forfeiture of up to \$10,000 for each violation or practice. Sec. 220.04(9)(f), Stats.

RECEIVED
PROF & VOCATIONAL
LICENSING DIVISION
AUG - 7 A 10:54
STATE OF WISCONSIN
DIVISION OF FINANCIAL INSTITUTIONS

9. A regulated entity who violates an order issued under s. 220.04(9)(d), Stats., shall, for each violation, forfeit not more than \$1,000 per day for each day the violation continues. Sec. 220.04(9)(f)2., Stats.

10. Pursuant to ss. 218.04(7)(a) and (d), Stats., the division may issue any special order in execution of or supplementary to ch. 218, Stats., to protect the public from oppressive or deceptive practices of licensees and to prevent evasions of this chapter, and to make all necessary or proper orders for the administration and enforcement of s. 218.04, Stats.

FINDINGS

The division finds as follows:

11. Respondent was properly served with a Complaint and Notice of Hearing and Notice of Prehearing Conference ("Notice") issued by the division. **Ex. I.** Pursuant to this Notice, respondent was directed to provide an answer, and appear at a prehearing conference and hearing.

12. Respondent failed to provide an answer to the Notice.

13. By its failure to answer the Notice, respondent was in default. As a result of the default, respondent was deemed to have admitted to the matters asserted and the violations set forth in the Notice, pursuant to s. 220.04(9)(d), Stats., and ss. DFI—Bkg 11.11 and 11.12, Admin. Code.

14. On April 20, 2007, the division issued an order to revoke respondent's Wisconsin collection agency license. **Ex. II.**

15. On or about May 1, 2007, the division received respondent's 2006 collection agency annual report ("2006 report").

16. Respondent has notified the division that it believes that its failure to answer the Notice was due to a good faith misunderstanding.

17. Respondent neither admits nor denies any of the Findings, but wishes to settle this matter with the division and have its license reinstated.

ORDER

Based on the foregoing, IT IS HEREBY ORDERED AS FOLLOWS:

18. Respondent shall file all future collection agency annual reports with the division by the March 15th due date.

19. Respondent shall respond immediately to any correspondence it receives from the division regarding respondent's 2006 report.

20. Respondent shall provide the division with timely responses to all requests made by the division, including, but not limited to, requests related to annual reports filed by

the respondent, examinations conducted by the division, and complaints filed by consumers.

21. Respondent shall pay the division a forfeiture of \$10,000. The check shall be made payable to the Department of Financial Institutions and shall be received by the division by May 31, 2007.

22. Upon receipt of this Order and the \$10,000 forfeiture check, the division will sign the Order and the Order will be effective. On the effective date of this order, the April 20, 2007 order revoking respondent's Wisconsin collection agency license shall be vacated.

23. The provisions of this Order shall be binding upon respondent and respondent's directors, officers, employees, agents, successors, assigns, and other persons participating in the conduct of its affairs. The provisions of the Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Order shall have been modified, terminated, suspended, or set aside by the division.

24. The effective date of this Order shall be the date it is served, and service is complete upon mailing. Secs. 227.48(1), Stats., and DFI—Bkg 11.09, Admin. Code.

25. Any person who shall violate any provision of s. 218.04, Stats., shall be guilty of a misdemeanor and, for each and every such offense shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment in the county jail for not more than 6 months, or by both such fine and imprisonment. Sec. 218.04(12), Stats.

Dated and mailed at Madison, Wisconsin this 29th day of May, 2007.

By: Michael J. Mach
Michael J. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W. Washington Avenue, 4th Floor
Madison, WI 53707-7876
tel. (608) 266-0451
fax (608) 267-6889

RECEIVED
PROF & VOCATIONAL
LICENSING DIVISION
2007 AUG - 7 A 10:54
DEPT OF COMMERCE
& INDUSTRY AFFAIRS
DIV OF REGULATION

CONSENT

Respondent consents to the issuance of the above order, and waives any appeal, review or contest of this order.

By: Gregory E. Harner (Signature)
Gregory E. Harner (Printed name of signatory)
VP (Title of signatory)
Date: 5/15/07

RECEIVED
PROF & VOCATIONAL
LICENSING DIVISION

2008 AUG 25 A 10:24

DEPT OF COMMERCE
CONSUMER AFFAIRS
STATE OF HAWAII

ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Collection Agency License of:

No. 08F-BD035-BNK

**ALLIED INTERSTATE, INC. AND VIKAS
KAPOOR, PRESIDENT**
435 Ford Road 800 Interchange West
Minneapolis, MN 55426

CONSENT ORDER

Petitioners.

On February 7, 2008, the Arizona Department of Financial Institutions ("Department") issued a Notice of Hearing alleging that Petitioners had violated Arizona law. Wishing to resolve this matter in lieu of an administrative hearing and without admitting liability, Petitioners do not contest the following Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

FINDINGS OF FACT

1. Petitioner Allied Interstate, Inc. ("Allied") is a Minnesota corporation authorized to transact business in Arizona as a collection agency. Allied is currently transacting business as a collection agency under license number CA 0908029, effective March 8, 2006, within the meaning of A.R.S. §§ 32-1001, *et seq.* The nature of Allied's business is that of a collection agency within the meaning of A.R.S. § 32-1001(2).

2. Petitioner Vikas Kapoor ("Mr. Kapoor") is the President of Allied. Mr. Kapoor is authorized to transact business in Arizona as a collection agency within the meaning of A.R.S. §§ 32-1001, *et seq.*

3. Allied was licensed as a collection agency under license number CA 0903307 from February 8, 2000 through February 1, 2006. License number CA 0903307 was closed due to non-renewal.

4. Prior to and around February 1, 2006 Allied was authorized to transact business in Arizona as a collection agency, license number CA 0903307, within the meaning of A.R.S. §§ 32-1001, *et seq.*, and while licensed as a collection agency, the nature of Allied's business was that of

1 collecting debts owed.

2 5. Neither Allied nor Mr. Kapoor are exempt from licensure as a collection agency within
3 the meaning of A.R.S. § 32-1004.

4 6. A review of twenty eight (28) complaints filed with the Department against Allied reveal:

5 Allied Interstate, Inc. Collection Agency License Number 0908029

6 a. Complaint #401C890 (2007): On August 23, 2006, the Department received
7 this complaint stating that the complainant had been receiving calls daily from
8 Allied, stating that she had a debt with Allied and to contact them regarding
9 the matter. The complainant claims that she spoke with the "rudest person"
10 who informed her that she was the contact for the debtor. Allied responded to
11 the complaint approximately thirty two (32) days after the Department's initial
12 request.

13 b. Complaint #4010725 (2006): On July 13, 2006, the Department received this
14 complaint stating, among other things, that Allied had left a voice mail
15 message attempting to collect a debt on the complainant's girlfriend's cellular
16 telephone (in which the complainant had no interest or ownership) that was a
17 third party disclosure. Allied responded to the complaint approximately
18 fourteen (14) days after the Department's initial request. In its response,
19 Allied advised the Department that they were unaware the telephone number
20 was not a correct telephone number for the complainant. Allied also claimed
21 that they addressed this situation with their associate "who does not recall
22 making this statement." Allied claimed they issued a written disciplinary
23 action with a warning to terminate the associate if he violates collection-
24 related applicable law or company policy within the next 90 days.

25 c. Complaint #4010393 (2006): On April 6, 2006, the Department received this
26 complaint stating, among other things, that the complainant had been called

1 and harassed daily by one of Allied's employees. Allied responded to the
2 complaint approximately twenty nine (29) days after the Department's initial
3 request. In its response, Allied advised the Department that although they
4 were verbally advised of a dispute regarding this debt and although they had
5 noted the complainant's account to wait for a "fraud packet," their "associate
6 did not follow our company's policy to stay further activity and some
7 additional calls were made."

8 d. Complaint #4010185 (2006): On February 10, 2006, the Department received
9 this complaint stating that the complainant had received a message to call
10 "Providian National Bank." The complainant stated that when he called the
11 telephone number on the message, he found that the telephone number was for
12 Allied. The complainant stated that he spoke with an operator and when he
13 could not and would not provide the information the operator was requesting,
14 the operator became verbally abusive, ranted, hollered and yelled at him
15 before she hung up on him. The complainant stated that at the time of his
16 complaint, this was the second time he had "experienced this situation" with
17 Allied. Allied responded to the complaint approximately twenty two (22)
18 days after the Department's initial request.

19 e. Complaint #4010045 (2006): On January 4, 2006, the Department received
20 this complaint stating that the complainant had disputed the debt with
21 DirectTV and had been advised that the account had been closed prior to its
22 being transferred to Allied. The complainant stated that, some time later, she
23 began to receive calls from Allied and that Allied's employee was rude and
24 harassing. Allied responded to the complaint approximately sixteen (16) days
25 after the Department's initial request.

26 f. Complaint #4010306 (2006): On May 5, 2006, the Department sent Allied

1 this complaint and requested a response within ten (10) days. Allied
2 responded to the complaint approximately twenty seven (27) days after the
3 Department's initial request.

4 g. Complaint #4010257 (2006): On May 1, 2006, the Department sent Allied
5 this complaint and requested a response within ten (10) days. Allied
6 responded to the complaint approximately twenty three (23) days after the
7 Department's initial request.

8 h. Complaint #4010292 (2006): On January 6, 2006, the Department received
9 this complaint stating that the complainant was being harassed by Allied. The
10 complainant stated that Allied's "calls start coming in around 8:15 a.m. and
11 some days they call every hour." The complainant had confirmed with Allied
12 the last four digits of the debtor's social security number are different that her
13 social security number and that she has never owned a wireless phone. The
14 complainant also stated that when she requested to speak with a supervisor,
15 Allied's employees "hang up or put me to a recording." In its response, Allied
16 stated they were "unable to locate a specific business matter on our system in
17 the name of" the complainant.

18 i. Complaint #4010047 (2006): On January 5, 2006, the Department received
19 this complaint stating that Allied's employee, Mr. Michael Turnbull, had
20 called their office requesting information regarding a current employee.
21 During the course of their conversation, the complainant stated that Mr.
22 Turnbull "threatened to have our office fined \$10,000 for refusing to disclose
23 the information to him." The complainant also stated that when Mr. Turnbull
24 spoke with their employee, among other things, he was verbally abusive to
25 their employee, threatened the employee with "prison time," and called the
26 employee a "liar." In its response to the Department, Allied stated "our

1 company policy and procedures for employment verification was found not to
2 be adhered to by our associate."

- 3 j. Complaint #4010014 (2006): On December 27, 2005, the Department
4 received this complaint stating that the complainant had received over one
5 hundred twelve (112) calls from Allied since November 9, 2005. The
6 complainant also stated that Allied employees claim that her cellular
7 telephone number is not in their system and there is a problem with their
8 computer.

9 Allied Interstate, Inc. Collection Agency License Number 0903307

- 10 k. Complaint #4009747 (2006): On January 12, 2006, the Department sent
11 Allied this complaint and requested a response within ten (10) days. Allied
12 responded approximately twenty (20) days after the Department's initial
13 request.
- 14 l. Complaint #4009343 (2006): On September 7, 2005, the Department sent
15 Allied this complaint and requested a response within ten (10) days. Allied
16 responded approximately twenty (20) days after the Department's initial
17 request.
- 18 m. Complaint #4009333 (2006): On August 31, 2005, the Department sent
19 Allied this complaint and requested a response within ten (10) days. Allied
20 responded approximately twenty seven (27) days after the Department's initial
21 request.
- 22 n. Complaint #4009371 (2006): On September 13, 2005, the Department sent
23 Allied this complaint and requested a response within ten (10) days. Allied
24 responded approximately fifteen (15) days after the Department's initial
25 request.
- 26 o. Complaint #4009309 (2006): On August 25, 2005, the Department sent

1 Allied this complaint and requested a response within ten (10) days. Allied
2 responded approximately twenty (20) days after the Department's initial
3 request.

4 p. Complaint #4009221 (2006): On August 12, 2005, the Department sent
5 Allied this complaint and requested a response within ten (10) days. Allied
6 responded approximately thirty one (31) days after the Department's initial
7 request.

8 q. Complaint #4009215 (2006): On August 11, 2005, the Department sent
9 Allied this complaint and requested a response within ten (10) days. Allied
10 responded approximately thirty two (32) days after the Department's initial
11 request.

12 r. Complaint #4009210 (2006): On August 11, 2005, the Department sent
13 Allied this complaint and requested a response within ten (10) days. Allied
14 responded approximately thirty four (34) days after the Department's initial
15 request.

16 s. Complaint #4009202 (2006): On August 8, 2005, the Department sent Allied
17 this complaint and requested a response within ten (10) days. Allied
18 responded approximately thirty two (32) days after the Department's initial
19 request.

20 t. Complaint #4009161 (2006): On July 26, 2005, the Department sent Allied
21 this complaint and requested a response within ten (10) days. Allied
22 responded approximately twenty two (22) days after the Department's initial
23 request.

24 u. Complaint #4009040 (2005): On June 27, 2005, the Department sent Allied
25 this complaint and requested a response within ten (10) days. Allied
26 responded approximately twenty (20) days after the Department's initial

request.

v. Complaint #4009039 (2005): On June 27, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied responded approximately seventeen (17) days after the Department's initial request. The complaint required additional follow-up and on three (3) occasions (August 19, August 30 and September 15, 2005), the Department requested the status of this complaint. Allied responded approximately thirty two (32) days after the original status request.

w. Complaint #4008805 (2005): On April 21, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied responded approximately twenty seven (27) days after the Department's initial request.

x. Complaint #4008768 (2005): On April 15, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied responded approximately thirty two (32) days after the Department's initial request.

y. Complaint #4008730 (2005): On April 12, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied responded approximately fifty five (55) days after the Department's initial request.

z. Complaint #4008575 (2005): On February 14, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied responded approximately forty four (44) days after the Department's initial request.

aa. Complaint #4008627 (2005): On March 4, 2005, the Department sent Allied this complaint and requested a response within ten (10) days. Allied

1 responded approximately twenty one (21) days after the Department's initial
2 request.

3 bb. Complaint #4008591 (2005): On February 18, 2005, the Department sent
4 Allied this complaint and requested a response within ten (10) days. Allied
5 responded approximately forty (40) days after the Department's initial
6 request.

7 7. On or around August 12, 2004, Lori Mann ("Ms. Mann"), Senior Examiner for the
8 Department, sent Allied a letter of concern regarding its delinquent responses in responding to the
9 Department's consumer complaints.

10 8. On or around March 23, 2005, Allied signed a Consent Order, 05F-BD082-SBD. In the
11 Consent Order, Allied was ordered to correct all violations set forth in the Findings of Fact,
12 including but not limited to A.A.C. R20-4-1504(D), and pay a penalty in the amount of five
13 thousand dollars (\$5,000.00).

14 9. On or around May 16, 2005, Ms. Mann sent a follow-up letter to Allied addressing its
15 consistent failure to provide timely responses to the Department's consumer complaints.

16 10. Based upon the above findings, the Department issued and served upon Allied and Mr.
17 Kapoor an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order
18 ("Cease and Desist Order") on January 2, 2008.

19 11. On January 18, 2008, Petitioners filed a Request For Hearing to appeal the Cease and
20 Desist Order.

21 CONCLUSIONS OF LAW

22 1. Pursuant to Title 6 and Title 32, Chapter 9 of the Arizona Revised Statutes, the
23 Superintendent has the authority and the duty to regulate all persons engaged in the collection
24 agency business and with the enforcement of statutes, rules, and regulations relating to collection
25 agencies.

26 2. By the conduct, set forth above, Allied and Mr. Kapoor violated the following:

- 1 a. A.A.C. R20-4-1504(D), by failing to make records available for examination,
2 investigation, or audit in Arizona within three working days after the
3 Superintendent demands them;
- 4 b. A.A.C. R20-4-1511, by engaging in unauthorized or oppressive tactics
5 designed to harass the debtor or others to pay any debt, including the use of
6 any language, written or oral, tending to ridicule, disgrace or humiliate, or
7 tending to imply, or actually implying, that the debtor is guilty of fraud or
8 other crime. A collection agency shall not permit its agents, employees,
9 representatives, or officers to employ obscene or abusive language against a
10 debtor in connection with the attempt to collect any debt;
- 11 c. A.A.C. R20-4-1512, by contacting a third party to inform them of the debt, to
12 ask them to pressure or coerce the debtor into paying the debt, or to ask that
13 they, themselves, pay the debt where they are not legally obligated to pay the
14 debt;
- 15 d. A.A.C. R20-4-1520, by allowing its agent, representative, employees or
16 officers to represent other than their true position with the collection agency,
17 or to claim or imply that they are associated with any other third party other
18 than their true position, debt collector; and
- 19 e. A.R.S. § 32-1051(3), by failing to deal openly, fairly and honestly in the
20 conduct of the collection agency business.
- 21 3. Pursuant to A.R.S. § 32-1053(A)(3), Petitioners' violation of any applicable, law, rule, or
22 order are grounds for license denial, suspension, or revocation.
- 23 4. The violations, set forth above, constitute grounds for: (1) the issuance of an order
24 pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to
25 take the appropriate affirmative actions, within a reasonable period of time prescribed by the
26 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and

1 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the
2 suspension or revocation of Petitioner's license pursuant to A.R.S. § 32-1053; and (4) an order or
3 any other remedy necessary or proper for the enforcement of statutes and rules regulating collection
4 agencies pursuant to A.R.S. §§ 6-123 and 6-131.

5 ORDER

6 1. Allied and Mr. Kapoor shall immediately stop the violations set forth above in the
7 Findings of Fact and Conclusions of Law. Allied and Mr. Kapoor shall timely provide appropriate
8 records, documents, information, and reports to the Superintendent.

9 2. Allied and Mr. Kapoor shall resolve all outstanding complaints with the Department
10 in a timely manner.

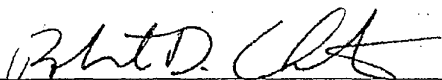
11 3. Allied shall immediately pay to the Department a civil money penalty in the amount
12 of twenty two thousand, five hundred dollars (\$22,500.00).

13 4. The provisions of this Order shall be binding upon Petitioners, and resolves the
14 Notice of Hearing, subject to compliance with the requirements of this Order. Should Petitioners fail
15 to comply with this Order, the Superintendent shall institute further disciplinary proceedings.

16 5. The provisions of this Order shall be binding upon Petitioners, their employees,
17 agents, and other persons participating in the conduct of the affairs of Allied.

18 6. This Order shall become effective upon service, and shall remain effective and
19 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
20 or set aside.

21 SO ORDERED this 6 day of March, 2008.

22
23 
24 Robert D. Charlton
Assistant Superintendent of Financial Institutions

25 CONSENT TO ENTRY OF ORDER

26 1. Petitioners acknowledge that they have been served with a copy of the foregoing

Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

3. Petitioners state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.

4. Petitioners agree to cease from engaging in the violative conduct set forth above in the Findings of Fact and Conclusions of Law.

5. Petitioners acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

6. ~~Vikas Kapoor~~ ^{Gregory Harmer}, on behalf of Allied Interstate, Inc., represents that he is the ^{vice} President, and that, as such, has been authorized by Allied Interstate, Inc. to consent to the entry of this Order on its behalf.

7. Petitioners waive all rights to seek judicial review or otherwise to challenge or contest the validity of this Consent Order.

DATED this 29th day of February, 2008.

By: Gregory E. Harmer

Vikas Kapoor, President
Allied Interstate, Inc.

Gregory Harmer

Vice President

1 ORIGINAL of the foregoing filed this 6th
2 day of March, 2008, in the office of:

3 Felecia A. Rotellini
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: Susan Longo
7 2910 N. 44th Street, Suite 310
8 Phoenix, AZ 85018
9 COPY mailed same date to:

10 Thomas Shedden, Administrative Law Judge
11 Office of the Administrative Hearings
12 1400 West Washington, Suite 101
13 Phoenix, AZ 85007

14 Erin O. Gallagher, Assistant Attorney General
15 Office of the Attorney General
16 1275 West Washington
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent
19 Richard Fergus, Division Manager
20 Lori Mann, Senior Examiner
21 Arizona Department of Financial Institutions
22 2910 N. 44th Street, Suite 310
23 Phoenix, AZ 85018

24 AND COPY MAILED SAME DATE by
25 Certified Mail, Return Receipt Requested, to:

26 Gregory E. Harmer, Esq.
iQor, Inc.
335 Madison Ave., 27th Floor
New York, NY 10017
Attorney for Petitioners

Susan Longo
#148928, PHX-AGN-2007-0188