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Department of Commerce and Consumer Affairs
State of Hawaii
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Honolulu, Hawaii 96813
Telephone: 586-2660

Attorney for Department of Commerce
and Consumer Affairs

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

In the Matter of the Collection Agency) COL 2009-33-L
Registration of)
STATE COLLECTION SERVICE, INC.,) SETTLEMENT AGREEMENT PRIOR TO
Respondent.) FILING OF PETITION FOR DISCIPLINARY
ACTION AND DIRECTOR'S FINAL ORDER;
EXHIBIT "1"

244092407

SETTLEMENT AGREEMENT PRIOR TO 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 attorneys, and Respondent STATE COLLECTION SERVICE, INC.
(hereinafter "Respondent"), by and through its attorney, 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 Agency
Program (hereinafter the "Program") as a Collection Agency under Registration Number COLA

356. The registration was issued on or about November 12, 2003. The registration will expire on or about June 30, 2010.

2. Respondent's mailing address for purposes of this action is c/o Steven Guttman, PC, 220 S. King Street, 19th Floor, Honolulu, Hawaii 96813.

3. RICO received information Respondent entered into a Consent Order with the State of Minnesota Department of Commerce, based on allegations Respondent conducted collection agency activity without having first applied for and obtained a collection agency license. A true and correct copy of the January 8, 2009 Consent Order is attached as Exhibit "1."

4. RICO alleges disciplinary action was entered against Respondent in another state for reasons provided by the licensing laws of this State and that Respondent failed to report the disciplinary action as required by law.

5. The foregoing allegations, if proven at an administrative hearing before the Program, would constitute violations of the following statute(s) and/or rule(s): Hawaii Revised Statutes ("HRS") § 443B-3 (registration required) and § 436B-19(15) (failure to report disciplinary action).

6. 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 represented in this matter by Steven Guttman, Esq.

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 does not admit to violating any law or rule, but acknowledges that RICO has sufficient cause to file a Petition for Disciplinary Action against Respondent's registration.

6. 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.

7. Respondent agrees that this Settlement Agreement is intended to resolve the issues raised in RICO's investigation in RICO Case No. COL 2009-33-L.

C. TERMS OF SETTLEMENT:

1. Administrative fine. Respondent agrees to pay a fine in the amount of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00). 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: Bobbi Lum-Mew, 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 Agency 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.

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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: September, 22nd, 2009.

STATE COLLECTION SERVICE, INC.
Respondent

By: D. Spatz
Its Sec/Treas

DATED: Honolulu, Hawaii, SEP 28 2009.

Bobbi W. Y. Lum-Mew
DARIA A. LOY-GOTO
BOBBI W.Y. LUM-MEW
Attorneys for Department of Commerce and
Consumer Affairs

APPROVED AS TO FORM:

Steven Guttman
STEVEN GUTTMAN
Attorney for Respondent

STATE OF Wisconsin)
) SS.
COUNTY OF Dane)

On this 22nd day of Sept, 2009, before me personally appeared
Doug Spack, to me known to be the person described, and who executed the
foregoing instrument on behalf of State Collection Service as
Controller, and acknowledged that he/she executed the same as
his/her free act and deed.

Lisa R Westphal

Name: Lisa R. Westphal
Notary Public, State of Wisconsin

My Commission expires: 11-2-09

IN THE MATTER OF THE COLLECTION AGENCY REGISTRATION OF STATE
COLLECTION SERVICE, INC.; SETTLEMENT AGREEMENT PRIOR TO FILING OF
PETITION FOR DISCIPLINARY ACTION AND DIRECTOR'S FINAL ORDER;
CASE NO. COL 2009-33-L; EXHIBIT "1"

APPROVED AND SO ORDERED:
COLLECTION AGENCY PROGRAM
STATE OF HAWAII

Lanana M. Reif
Director of the Department of Commerce
and Consumer Affairs

October 8, 2009
DATE

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

State of Minnesota
Dept. of Commerce

JAN 07 2009
Rec'd \$ 10,000

In the Matter of the Collection Agency
License of State Collection Service, Inc.
License No. CA20078549

CONSENT ORDER

TO: State Collection Service, Inc.
2509 S. Stoughton Road
Madison, WI 53716

Commissioner of Commerce Glenn Wilson (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has advised State Collection Service, Inc. (hereinafter "Respondent") that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2006) and other applicable law, against Respondent's collection agency license based on the allegations that Respondent: Conducted collection activity without having first applied for and obtained a collection agency license. By not procuring a license for each place where the business is to be conducted is in violation of Minn. Stat. § 332.33, Subd. 1 and 3 (2006).
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.
3. Respondent has agreed to informal disposition of this matter without a hearing as provided in Minn. Stat. § 14.59 (2006) and Minn. R. 1400.5900 (2007).
4. The following Order is in the public interest.

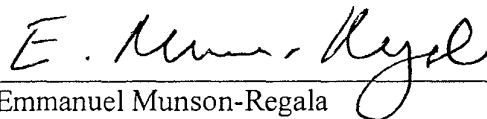
EXHIBIT 1

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. § 45.027, subd. 5 (2006) that Respondent shall cease and desist from any further violations of Minn. Stat., ch. 332 (2006) and comply with all other laws of the State of Minnesota.

IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 6 (2006) that the Respondent shall pay to the State of Minnesota a civil penalty of \$10,000.

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

Dated: 1-8-09.

By: 
Emmanuel Munson-Regala
Deputy Commissioner

85 Seventh Place East, Suite 500
Saint Paul, Minnesota 55101
Telephone: (651) 296-2488

CONSENT TO ENTRY OF ORDER

The undersigned, acting on behalf of State Collection Service, 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; 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.

State Collection Service, Inc.

By: Robert Schoofs
Robert Schoofs

Its: Chief Operating Officer

STATE OF Wisconsin

COUNTY OF Dane

This instrument was acknowledged before me on 1/7/09 (date) by Robert Schoofs.

(stamp)

(Signature of notary officer)

Man Addition

Notary Public

My commission expires is permanent