

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
ASSET ACCEPTANCE, LLC
A COLLECTION AGENCY**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME Asset Acceptance, LLC, (hereinafter "Asset Acceptance") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, Asset Acceptance is a limited liability company organized and existing under the laws of the State of Delaware with headquarters in Warren, Michigan; and

WHEREAS, the Department has the authority and responsibility for the enforcement of the provisions of Article 70 of Chapter 58 of the General Statutes of North Carolina applicable to Collection Agencies and the collection agency business; and

WHEREAS, Asset Acceptance was initially issued permits to operate as a collection agency in North Carolina pursuant to N.C.G.S. § 58-70-5 on or about May 17, 2005; and

WHEREAS, N.C.G.S. §58-70-10 provides that any person, firm, corporation, or association desiring to renew a permit issued pursuant to N.C.G.S. § 58-70-5 shall make application to the Commissioner of Insurance no less than 30 days prior to the expiration date of the then current permit; and

WHEREAS, Asset Acceptance submitted renewal applications to the Department in the years 2011 and 2012, but failed to provide all of the information required on the application form relating to prior lawsuits or legal actions, and hence the applications were incomplete pursuant to N.C.G.S. §58-70-10; and

WHEREAS, Asset Acceptance has asserted, at the time it submitted the 2011 and 2012 renewal applications to the Department, it did so with the good faith belief that it had provided complete renewal applications based on communications Asset Acceptance had with a former Department employee; and

WHEREAS, Asset Acceptance has now provided all information requested by the Department in conjunction with the 2011 and 2012 renewal applications; and

WHEREAS, on the July 2012 Renewal Application, Asset Acceptance failed to attached required documentation regarding a January 30, 2012 Consent Decree with the Federal Trade Commission in the U.S. District Court (Middle District of Florida) which included a fine of \$2,500,000 and other remedial actions. Specifically, on the 2012 Renewal Application, Asset Acceptance answered "yes" to the question inquiring whether the company or its officers had been named in a state or federal lawsuit alleging violations of debt collection laws, but failed to include any additional information or documentation as required in that question, leading to a violation of and N.C. Gen. Stat. § 58-70-40(c)(3); and

WHEREAS, Asset Acceptance failed to report the above-mentioned January 30, 2012 Consent Decree with the FTC to the Department within 30 days after the final disposition of the matter in violation of N.C.G.S. § 58-70-40(e); and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate "a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution"; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement; and

NOW THEREFORE, in consideration of the promises and agreements set out herein, the Department and Asset Acceptance hereby agree to the following;

1. Immediately upon signing this agreement, Asset Acceptance shall pay a civil penalty of \$8,000.00 (eight thousand dollars and NO/100) to the Department. The form of payment shall be certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." Asset Acceptance shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed agreement. The civil penalty and the signed Agreement must be received by the Department no later than **August 5, 2013**. The civil penalty shall be subject to disbursement in accordance with the provisions

of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.

2. Asset Acceptance shall comply with all provisions of Article 70 of Chapter 58 of the General Statutes of North Carolina and Title 11 of the North Carolina Administrative Code that are applicable to Asset Acceptance.
3. This Agreement does not in any way affect the Department's disciplinary power in any future or follow-up examination of Asset Acceptance, or in any cases or complaints involving Asset Acceptance. In the event that Asset Acceptance or any of its present or future locations fail to comply with this Agreement or otherwise fail to comply with the laws and rules applicable to Asset Acceptance, the Department may take any administrative or legal action it is authorized to take.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. Asset Acceptance understands that N.C.G.S. § 58-70-40(c)(6) provides that a collection agency's permit may be revoked if a partner or proprietor or officer of the collection agency has violated or refused to comply with an Order of the Commissioner.
5. Asset Acceptance enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. Asset Acceptance understands that it may consult with an attorney prior to entering into this Agreement.
6. This Voluntary Settlement Agreement, when finalized will be a public record and will not be treated as confidential. Any and all permits issued by the Department to Asset Acceptance shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.

7. This Agreement shall become effective when signed by Asset Acceptance and the Department.

This the 24 day of July, 2013.

Asset Acceptance, LLC, Inc.

N.C. Department of Insurance



Director - Litigation Counsel



By:

Angela K. Ford
Senior Deputy Commissioner

8-2-13