

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

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STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF THE
LICENSURE OF COLLECTO, INC.
PERMIT NUMBERS:
4155, 4156 and 4253

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Collecto, Inc. ("Collection Agency") and the North Carolina Department of Insurance ("Department"), and hereby enter into the following Voluntary Settlement Agreement ("Agreement"):

WHEREAS, Collection Agency is a corporation organized and existing under the laws of the Commonwealth of Massachusetts; and

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

WHEREAS, North Carolina law requires a collection agency to obtain and maintain a separate permit issued by the Department for each location at which the agency desires to carry on a collection agency business; and

WHEREAS, Collection Agency has three locations that require permits from the Department; and

WHEREAS, the Department has issued three permits, numbered 4155, 4156 and 4253, to Collection Agency; and

WHEREAS, pursuant to N.C. Gen. Stat. §58-70-5 and N.C. Gen. Stat. §58-70-35, the three permits issued to Collection Agency each expired on June 30, 2014; and

WHEREAS, N.C. Gen. Stat. §58-70-10 provides that any person, firm, corporation, or association desiring to renew a permit issued pursuant to N.C. Gen. Stat. §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, Collection Agency failed to submit the required collection agency permit renewal applications and fees by the June 1, 2014 permit renewal deadline for any of its three permits in violation of N.C. Gen. Stat. §58-70-10 and N.C. Gen. Stat. §58-70-35; and

WHEREAS, Collection Agency has now completed and submitted the three required permit renewal applications with supporting documents and the required renewal fees; and

WHEREAS, pursuant to N. C. Gen. Stat. §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 desire to resolve this matter by agreement to avoid an Administrative Hearing regarding these matters; and

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

NOW, THEREFORE, in exchange for, and in consideration of the promises and agreements set out herein, the Department and Collection Agency hereby agree to the following:

1. Immediately upon signing this agreement, Collection Agency shall pay civil penalties in the total amount of Three Thousand Dollars (\$3,000.00) to the Department, representing a one thousand dollar penalty against each of its three permits. 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.” Collection Agency shall remit the civil penalty by certified mail, return receipt requested, to the Department along with the signed original of this agreement. The civil penalty and the signed Agreement must be received by the Department no later than 12/17, 2014. 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 the public schools.
2. Collection Agency, and all of its present and future locations, shall comply with all provisions of Chapter 58 of the North Carolina General Statutes and Title 11 of the North Carolina Administrative Code that are applicable to it.
3. Collection Agency enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. Collection Agency understands that it may consult with an attorney prior to entering into this Agreement.
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. Collection Agency understands that N. C. Gen. Stat. §58-70-40(c)(6) provides that a collection agency’s permit may be revoked if a partner, proprietor or officer of the collection agency has violated or refused to comply with an Order of the Commissioner.

5. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Collection Agency, or in any other complaints involving Collection Agency. In the event that Collection Agency 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 it, the Department may take any administrative or legal action it is authorized to take.

6. This Agreement, when finalized, will be a public record and is not confidential. 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. Any and all permits issued by the Department to Collection Agency shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement.

7. Be aware that if a state or federal regulator other than the N. C. Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulators.

8. This Agreement shall become effective when signed by Collection Agency and the Department.

COLLECTO, INC.

By: 

Name: Paul E. Leary, Jr.
Title: President

Date: 11/10/14

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 

Angela K. Ford
Senior Deputy Commissioner

Date: 11-21-14