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NORTH CAROLINA
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INSURANCE
AGENT SERVICES
DIVISION

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)
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)
IN THE MATTER OF:)
COMMERCIAL RECOVERY SYSTEMS,)
INC.)
)
)
)
BEFORE THE COMMISSIONER OF
INSURANCE

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Commercial Recovery Systems, Incorporated (hereinafter "CRS") and the North Carolina Department of Insurance (hereinafter "the Department"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement"):

WHEREAS, CRS is a corporation organized and existing under the laws of the State of Texas; 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, N. C. Gen. Stat. § 58-70-1 states that no person, firm, corporation, or association shall conduct or operate a collection agency or do a collection agency business, as defined in Chapter 58 Article 70 of the North Carolina General Statutes, until he or it shall have secured a permit therefore as provided in Article 70; and

WHEREAS, CRS's permit to operate as a collection agency or do collection agency business expired on June 30, 2006 when the required renewal fee for the permit was not received by the Department.

WHEREAS, CRS conducted collection agency business after June 30 of 2006 without the required permit in violation of North Carolina law; and

WHEREAS, CRS has now made proper application to the Department for a permit; 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 have reached a mutually agreeable resolution

of this matter as set out in this Agreement;

NOW, THEREFORE, in consideration of the promises and agreements set out herein, the Department and CRS hereby agree to the following:

1. Contemporaneously with the execution of this document, CRS shall pay a civil penalty of \$1,000.00 to the Department. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." The civil penalty and the signed Agreement must be received by the Department no later than May 8, 2007. 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. CRS, 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 them.
3. This agreement does not in any way affect the the Department's disciplinary power in any future follow-up examinations of CRS, or in any cases or complaints involving CRS. In the event CRS or any of its present or future locations fail to comply with this Agreement or otherwise fail to comply with the laws and regulations applicable to them, 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. CRS 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. CRS enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. CRS 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 is not confidential. Any and all permits issued by the Department to CRS 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 CRS and the Department.

This the 9th day of May, 2007.

Commercial Recovery Systems, Inc.

By: 

Tim Ford
President

North Carolina Department of Insurance

By:  5-15-07

Angela Ford
Senior Deputy Commissioner