

COLLECTION AGENCY ANNUAL REPORT

License Number:
Due Date: March 15, 2020



State of Wisconsin
 Department of Financial Institutions
 Division of Banking
 PO Box 7876
 Madison, WI 53707-7876
 Telephone: (608) 261-7578
 FAX: (608) 267-6889

North Tower
 4822 Madison Yards Way
 Madison, WI 53705
www.wdfi.org

FOR YEAR ENDING DECEMBER 31, 2019

1. Name of licensee. If the licensee uses a trade name or DBA (doing business as) name in its Wisconsin operations, include that name as well.

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2. Address and telephone number of Wisconsin office:

Street:			P.O. Box:	
City:	State: WI	Zip:	Telephone Number:	

3. Address of home office (if different than above):

Street:			P.O. Box:	
City:	State:	Zip:		

4. Licensee's website address:

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5. Name, title, address, telephone number, and e-mail address of person to whom questions regarding this report should be addressed:

First Name:		Last Name:		Title:	
Street:			City:		
State:	Zip:	Telephone Number:		E-mail:	

6. How many Wisconsin debtors did the agency have on 12/31/19?

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QUESTIONNAIRE

The following questions must be answered by a duly authorized representative (key officer, member, partner or owner) of the Licensee. Mark an X in the appropriate box. **If you answer “Yes” to any question, give all details on a separate sheet.** “Key Officer” includes the chief executive officer, chief operating officer, president, executive or senior vice president, secretary and treasurer. If your company has not previously filed an annual report with the Division of Banking, the questions should be answered for the time period since your license application was submitted.

- | | <u>Yes</u> | <u>No</u> | |
|-----|--------------------------|--------------------------|--|
| 1. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has any key officer, member, partner or owner been convicted of any misdemeanor or felony (other than minor traffic offenses) in this state or any other state? Provide details about the misdemeanor or felony, including but not limited to conviction, conviction date, penalty and court. |
| 2. | <input type="checkbox"/> | <input type="checkbox"/> | Are there any felony or misdemeanor charges (other than minor traffic offenses) pending against any key officer, member, partner or owner in this state or any other state? Provide details about the pending charges, including but not limited to charge, date and court. |
| 3. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has the licensee or any key officer, member, partner or owner been the subject of disciplinary action including, but not limited to, civil forfeitures, cease and desist orders, injunctions, license suspensions, denials, revocations, warnings, reprimands, enforcement actions, probation and limitations by any federal or state regulatory agency? Provide details about the disciplinary action, including but not limited to date, regulatory agency and type of discipline. |
| 4. | <input type="checkbox"/> | <input type="checkbox"/> | Is disciplinary action pending against the licensee or any key officer, member, partner or owner by any federal or state regulatory agency? Provide details, including but not limited to action and regulatory agency. |
| 5. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has the licensee or any key officer, member, partner or owner surrendered, resigned, cancelled or been denied a professional license or other credential in this state or any other state? Provide details, including but not limited to date, credential and state. |
| 6. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has the licensee or any key officer, member, partner or owner been the subject of derogatory credit (bankruptcy, judgment, tax lien, collections, etc.)? Provide details, including but not limited to date, circumstances and court or agency. |
| 7. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has the licensee or any key officer, member, partner or owner been the subject of any suit, claim, or other civil action in this state or any other state that was settled, or included a ruling or decision not in the licensee’s or individual’s favor? Provide a description of the suit, claim, or other civil action, agency or court, date filed, and outcome. |
| 8. | <input type="checkbox"/> | <input type="checkbox"/> | Is a suit, claim or other civil action pending against the licensee or any key officer, member, partner or owner in this state or any other state? Provide details, including but not limited to agency or court and date. |
| 9. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, have any key officers, members, partners, or owners of the licensee also been a key officer, member, partner, or owner of another company that was the subject of disciplinary action while that individual was a key officer, member, partner or owner of the other company? Disciplinary action includes, but is not limited to, civil forfeitures, cease and desist orders, injunctions, license suspensions, denials, revocations, warnings, reprimands, enforcement actions, probation, and limitations by any federal or state regulatory agency. Provide details about the disciplinary action, including but not limited to company name, date, regulatory agency, and type of discipline. |
| 10. | <input type="checkbox"/> | <input type="checkbox"/> | Since filing your previous annual report, has the licensee acquired or transferred any accounts from or to another collection agency in which the client (creditor) is located in Wisconsin. If yes, provide the name and address of the entity from whom or to whom the transfer occurred, date of the transaction and description of the transaction. |

SURETY BOND CALCULATION

BOND CALCULATION # 1 – Complete Bond Calculation # 1 only if your agency has no or limited operations physically located in Wisconsin.

BOND CALCULATION # 2 – Complete Bond Calculation # 2 if all or most of your collection agency operations are physically located in Wisconsin.

BOND CALCULATION # 1

- 1) Provide the figures requested below for the **year ended December 31, 2019**. When completing this chart please ensure that:
- Both columns are completed.
 - None of the boxes are blank. If a response is \$0, the box should be completed to indicate \$0.
 - The TOTAL column encompasses all of the agency’s collections.
 - The WISCONSIN column identifies only the amount the agency collected on behalf of its **Wisconsin clients**.
 - The WISCONSIN column does not include amounts collected from Wisconsin debtors on behalf of non-Wisconsin clients.
 - The total amount collected is reported, not the amount of commission earned.

	TOTAL (all client collections)	WISCONSIN (Wisconsin client collections)
Total Annual Collections (including payments made directly to creditors)	\$	\$
<u>Less</u> Collections Paid Directly to Creditors	\$	\$
Total Annual Collections Received by the Agency	\$	\$ (A)

- 2) Complete the following chart to determine the required bond amount for the 2020-2021 licensing period.

List on line (B) the bond amount from the Bond Schedule on page 10 that corresponds to your annual collections listed in line (A) above.	\$	(B)
List on line (C) the dollar amount that Wisconsin clients paid for <u>pre-paid</u> collection transmittals that were outstanding as of 12/31/19.	\$	(C)
If <u>any</u> of your records pertaining to Wisconsin operations are maintained outside of Wisconsin, list \$10,000 on line (D)	\$	(D)
Add lines (B), (C) and (D). This is the required bond amount.	\$	(E)

BOND CALCULATION # 2

- 1) Provide the figures requested below for the **year ended December 31, 2019**. The TOTAL column encompasses all of the agency’s operations. The total amount collected should be reported, not the amount of commission earned.

	TOTAL
Total Annual Collections (including payments made directly to creditors)	\$
<u>Less</u> Collections Paid Directly to Creditors	\$
Total Annual Collections Received by the Agency	\$ (A)

- 2) Complete the following chart to determine the required bond amount for the 2020-2021 licensing period.

List on line (B) the bond amount from the Bond Schedule on page 10 that corresponds to your annual collections listed in line (A) above.	\$	(B)
List on line (C) the dollar amount that clients paid for all pre-paid collection transmittals that were outstanding as of 12/31/19.	\$	(C)
If <u>any</u> of your records pertaining to Wisconsin operations are maintained outside of Wisconsin, list \$10,000 on line (D)	\$	(D)
Add lines (B), (C) and (D). This is the required bond amount.	\$	(E)

TRUST ACCOUNT STATUS

Provide the requested information for each trust account your company has. Attach additional pages if necessary.

Trust Account Number	Bank	A. Bank Statement Balance as of 12/31/19	B. Deposits in Transit	C. Outstanding Checks	D. Book Balance as of 12/31/19 (A + B - C = D)
Total Book Balance of all TRUST ACCOUNTS:					

OPERATING ACCOUNT STATUS

Provide the requested information for all remaining (non-trust) accounts your company has. Attach additional pages if necessary. Examples of account types include: money market accounts, legal accounts, payroll accounts, etc.

Account Number	Bank	A. Bank Statement Balance as of 12/31/19	B. Deposits in Transit	C. Outstanding Checks	D. Book Balance as of 12/31/19 (A + B - C = D)
Total Book Balance of all OTHER ACCOUNTS:					

ATTACHMENTS

Check the box next to the items that you are attaching to your annual report. **All of the items described below that are applicable to your agency, must be received by the division on or before March 15, 2020. If ALL of the required items are not received by March 15, 2020, your agency will not be in compliance with the annual report requirement set forth in s. 218.04(10), Stats.**

Attached

N/A

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | Required | 1. <u>Licensee's 12/31/19 balance sheet and income statement</u>
Provide the 12/31/19 balance sheet and income statement for the licensed entity. If your agency is licensed as a partnership or sole proprietorship, also include your personal financial statements for 12/31/19. All financial statements must be prepared in accordance with Generally Accepted Accounting Principles ("GAAP") using accrual basis accounting. Please ensure that the balance sheet discloses reconciled balances (not bank statement balances) and that total assets equal total liabilities plus total equity. |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. <u>Accountant prepared financial statements</u>
If the licensee has an independent accountant prepare reviewed or audited financial statements, the reviewed or audited financial statements should be submitted in addition to the internally prepared financial statements. If these statements are not available at the time the filing is required, please forward once they are available. |
| <input type="checkbox"/> | Required | 3. <u>Accounts receivable aging report</u>
If the agency has any accounts receivable listed on its balance sheet, provide an accounts receivable aging for all accounts receivable. An accounts receivable aging is a report that itemizes the accounts receivable and identifies the length of time each receivable has been outstanding. Typically, the aging report categorizes receivables as "current," "30 days," "60 days," "90 days," and "over 90 days." |
| <input type="checkbox"/> | Required | 4. <u>Intangible asset itemization</u>
If the agency has any goodwill, customer lists, or other similar intangible assets, and the balance sheet submitted does not show both the amount of the asset as originally booked and any accumulated amortization, identify each intangible asset and provide the original value and the accumulated amortization for each intangible asset. |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. <u>Documentation describing increase in intangible assets</u>
If the agency has any goodwill, customer lists, or other similar intangible asset listed on its balance sheet, and the amount of the asset on December 31, 2019 is greater than the amount reported for that asset on your last collection agency annual report filing, provide documentation of the transaction that resulted in the increase. |
| <input type="checkbox"/> | Required | 6. <u>Itemization of other assets</u>
If the agency has an "other assets" category listed on its balance sheet, provide an itemization of the name and amount of each asset. |
| <input type="checkbox"/> | Required | 7. <u>Itemization of accounts receivable from related parties</u>
If the agency has any accounts receivable from related parties (officers, employees, shareholders, parents, affiliates, etc.) listed on its balance sheet, provide for each related party the name of the person or company, the amount due, and the relationship of the person or company. |
| <input type="checkbox"/> | Required | 8. <u>Itemization of notes receivable from related parties</u>
If the agency has any notes receivable from related parties (officers, employees, shareholders, parents, affiliates, etc.) listed on its balance sheet, provide for each related party the name of the person or company, the amount due, and the relationship of the person or company. |
| <input type="checkbox"/> | Required | 9. <u>Itemization of accounts payable to related parties</u>
If the agency has any accounts payable to related parties (officers, employees, shareholders, parents, affiliates, etc.) listed on its balance sheet, provide for each related party the name of the person or company, the amount due, and the relationship of the person or company. |

Attached **N/A**

- Required 10. **Itemization of notes payable to related parties**
If the agency has any notes payable to related parties (officers, employees, shareholders, parents, affiliates, etc.) listed on its balance sheet, provide for each related party the name of the person or company, the amount due, and the relationship of the person or company.
- Required 11. **Statement of ownership**
Provide a list that includes the name, title, resident mailing address and percentage of ownership for all individuals who own 10% or more of the collection agency and the name, address and percentage of ownership for all legal entities who own 10% or more of the collection agency.
12. **List of key officers or key members**
Key officers/members include the CEO, COO, CFO, president, executive or senior vice president, secretary, and treasurer. The list should include the name, title, resident address, and phone number.
13. **List of all general partners** if the agency is organized as a *limited partnership*.
14. **List of all partners** if the agency is organized as a *partnership*.
- Required 15. **List of Wisconsin clients**
Provide a complete alphabetical list, sorted by name, of ALL WISCONSIN clients or forwarders that currently have accounts listed with your collection agency. The list must include the client name, address and account number.
- Required 16. **List of Solicitors and Collectors**
Provide a list of each solicitor or collector employed by the agency. The list should include the first and last name of the solicitor or collector and the first and last name of any alias.

AFFIDAVIT

I, _____, the undersigned, being the duly authorized representative of
(Print Name of Key Officer/Member/Partner/Owner)

_____ hereby certify that each statement and representation in this
(Name of Licensee)

annual report form, and all of the attachments, is true and correct to the best of my knowledge.

(Signature of Key Officer/Member/Partner/Owner)

(Title)

(Date)

SUBSCRIBED AND SWORN TO BEFORE ME
THIS _____ DAY OF _____, 2020.

(Notary Public)

My Commission Expires _____

CHECKLIST

The following checklist addresses common problems that the division identifies when reviewing collection agency annual reports. Review each question on the checklist to verify that your annual report submission is complete and accurate. Corrections must be made before submitting the annual report for any applicable questions that cannot be answered “Yes”.

- | <u>Yes</u> | <u>N/A</u> | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | | Required a. Is the Wisconsin office address entered on page 1 the Wisconsin “active office” address? The address entered on page 1 should not list the registered agent’s address. |
| <input type="checkbox"/> | <input type="checkbox"/> | b. Does the report include attachments documenting any “yes” responses provided to the Questionnaire on page 2? |
| <input type="checkbox"/> | | Required c. Do the figures in the bond calculation chart on page 3 represent the amount the agency collected on behalf of its Wisconsin <u>clients</u> ? We are not requesting the total collections from Wisconsin debtors. |
| <input type="checkbox"/> | | Required d. Was the surety bond calculation page of the annual report (page 3) completed with the <u>total amount</u> collected on behalf of clients? The figures should not represent the commission amounts earned on those collections. |
| <input type="checkbox"/> | | Required e. Does the total of the reconciled bank balances of all trust accounts listed on page 4 equal the amount listed on the balance sheet for the trust accounts? If no, provide details of any adjustments made. |
| <input type="checkbox"/> | | Required f. Does the total of the reconciled bank balances of all operating accounts listed on page 4 equal the amount listed on the balance sheet for the operating account? If no, provide details of any adjustments made. |
| <input type="checkbox"/> | | Required g. Does the submission include a 12/31 balance sheet and income statement? We do not require audited financial statements to be received with the annual report. Internally prepared financial statements are acceptable. |
| <input type="checkbox"/> | | Required h. Have the financial statements been prepared on an accrual basis and in accordance with Generally Accepted Accounting Principles? |
| <input type="checkbox"/> | | Required i. Are the financial statements for the entity that holds the license? A parent company’s financial statements are not acceptable. |
| <input type="checkbox"/> | | Required j. Does the balance sheet balance? Total assets must equal total liabilities plus total equity. |
| <input type="checkbox"/> | | Required k. Does the balance sheet disclose the <u>reconciled</u> bank account balances? The balance sheet should not disclose the bank statement balances. |
| <input type="checkbox"/> | | Required l. Is an aging report of <u>all</u> accounts receivable provided? The total of this report(s) must equal the amount of accounts receivable listed on the balance sheet. |
| <input type="checkbox"/> | <input type="checkbox"/> | m. Are depreciation amounts provided for physical assets and amortization amounts provided for intangible assets? |
| <input type="checkbox"/> | | Required n. Has the Affidavit on page 6 been signed and notarized? |

Notice: Completion of this form is required under Section 218.04, Wisconsin Statutes. Failure to comply may result in further action by our Department. Personal information you provide may be used for secondary purposes.

This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

BOND SCHEDULE

If Annual Collections Net of Paid Directs (line 1A on page 3) are:	Then Bond Amount is:
Less than \$150,000	\$25,000
\$150,000 - \$249,999	\$35,000
\$250,000 - \$349,999	\$45,000
\$350,000 - \$499,999	\$50,000
\$500,000 - \$749,999	\$65,000
\$750,000 - \$999,999	\$85,000
\$1,000,000 - \$1,999,999	\$100,000
\$2,000,000 - \$3,999,999	\$145,000
\$4,000,000 - \$5,999,999	\$155,000
\$6,000,000 - \$9,999,999	\$190,000
\$10,000,000 - \$19,999,999	\$240,000
\$20,000,000 - \$29,999,999	\$290,000
\$30,000,000 and Over	Contact the Division of Banking for special requirements

IMPORTANT BONDING INFORMATION

The licensee is responsible for calculating the required bonding level for the 2020-2021 licensing period and should review the Surety Bond Calculation on page 3 carefully and use the Bond Schedule above to determine the required bond amount.

The accuracy of the licensee's reporting information and calculation of the required surety bond level will be verified by division staff during a review of your agency. Pursuant to s. 218.04(3)(d), Wis. Stats., the division reserves the right to require a higher bond amount if the division deems it necessary to safeguard the interests of the public.

- If the required bond amount is **greater** than your current bond, you will need to obtain a rider or endorsement to increase the bond amount. The rider must be effective on July 1, 2020 or before and must be submitted to the Department of Financial Institutions on or before June 1, 2020.
- If the required bond amount is **less** than your current bond, you may obtain a rider or endorsement to decrease the bond amount. Any decrease rider must be effective July 1, 2020 or later and should be submitted to the Department of Financial Institutions. Pursuant to the terms of the bond, the bonding company will need to submit written notice of such decrease to the Department of Financial Institutions by certified mail at least 30 days prior to the effective date of the decrease.
- If the required bond amount is **the same** as your current bond, no action is required.

Any rider or endorsement to increase or decrease the bond amount **should not** reference your agency's address or addresses. Such riders will not be accepted.

Since the bonds are continuous until cancelled, **no continuation certificate, rider, or any other document regarding the expiration date of the bond should be issued or submitted to the Department of Financial Institutions.**