NOTICE AND ORDER

BEFORE THE ADMINISTRATOR
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF BANKING

TO: Coast Professional Inc
214 Expo Circle, #7
West Monroe, LA 71292
Applicant

PURPOSE

1. The purpose of this notice is to deny applicant's application for renewal of a license under s. 218.04, Stats., and to issue an order against applicant.

JURISDICTION and AUTHORITY

2. The State of Wisconsin, Department of Financial Institutions, Division of Banking ("division") shall enforce all laws relating to collection agencies in the State of Wisconsin, and shall enforce and cause to be enforced every law relating to the supervision and control thereof. Sec. 220.02(2)(b), Stats.

3. The intent of s. 220.02(2)(b), Stats., is to give the division jurisdiction to enforce and carry out all laws relating to collection agencies in the State of Wisconsin. Sec. 220.02(3), Stats.

4. The division shall have the duty, power, jurisdiction and authority to investigate, ascertain and determine whether s. 218.04, Stats., or lawful orders issued thereunder are being violated and for such purposes the division shall have all the powers conferred by ss. 218.04(4) and (5), Stats. Sec. 218.04(13), Stats.

5. Applicant's license under s. 218.04, Stats., with the division, license #634, expired on June 30, 2010. Applicant is located at the address indicated above.

6. Applicant is a regulated entity under the supervision and control of the division. Sec. 220.04(9)(a)2., Stats.

7. Pursuant to s. 218.04(2)(a), Stats., a person may not operate as a collection agency or as a collector or solicitor in this state without first having obtained a license as required by s. 218.04, Stats.

8. Pursuant to. s. 218.04(4)(a), Stats., upon the filing of an application and the payment of the fee set forth in s. 218.04(3), Stats., the division shall make an investigation, and if the division finds that the character and general fitness and the financial responsibility of the applicant, and the members thereof if the applicant is a partnership, limited liability company or association, and the officers and directors

thereof if the applicant is a corporation, warrant the belief that the business will be operated in compliance with this section, the division shall thereupon issue a license to the applicant.

9. Pursuant to s. 218.04(4)(am), Stats., the division may not issue or renew a license if the applicant has failed to provide any information required under s. 218.04(3)(a)1., Stats.; is delinquent for certain taxes; and for such other matters as set forth therein.

10. Pursuant to ss. 218.04(7)(a) and (d), Stats., the division may issue any special order in execution of or supplementary to ch. 218, Stats., to protect the public from oppressive or deceptive practices of licensees and to prevent evasions of this chapter, and to make all necessary or proper orders for the administration and enforcement of s. 218.04, Stats.

FINDINGS

The division finds as follows:

11. On or about June 4, 2010, the division received applicant's application to renew its Wisconsin collection agency license for the period beginning July 1, 2010 and ending June 30, 2011. **Ex. 1.**

12. Applicant's license under s. 218.04, Stats., with the division, expired on June 30, 2010.

13. Applicant's December 31, 2009 balance sheet disclosed net equity of negative $350,475.56, after discounting "Goodwill" of $142,550.15. **Ex. 2.**

14. On February 23, 2010, the division wrote to applicant to information applicant to take immediate action to increase its tangible net worth to at least $15,000 and to forward applicant's March 31, 2010 financial statements to the division by April 16, 2010. **Ex. 3.**

15. Applicant's March 31, 2010 balance sheet disclosed net equity of negative $359,143.56, after discounting "Goodwill" of $137,436.16 and "dividend advances" of $237,911.17 from Brian Davis ("Davis") and Everett Stagg ("Stagg"), applicant's 100% owners. **Ex. 4.**

16. Applicant's April 30, 2010 balance sheet disclosed net equity of negative $544,974.42, after discounting "Goodwill" of $136,248.83 and "dividend advances" of $237,911.17 from Davis and Stagg, applicant's 100% owners. **Ex. 5.**

17. Applicant's December 31, 2009 profit and loss statement disclosed a net loss of $373,278.82 for the period January through December, 2009. **Ex. 2.**

18. Applicant's March 31, 2010 profit and loss statement disclosed a net loss of $140,624.09 for the period January through March, 2010. **Ex. 4.**

19. Applicant's April 30, 2010 profit and loss statement disclosed a net loss of $327,642.28 for the period January through April, 2010. **Ex. 5.**

20. Pursuant to s. 218.04(4)(a), Stats., if the division finds that an applicant for a collection agency license has the character and general fitness and the financial responsibility to warrant the belief that the business will be operated in compliance with s. 218.04, Stats., the division shall issue a license.

21. Because applicant's December 31, 2009, March 31, 2010, and April 30, 2010 balance sheets disclosed tangible net worth of less than $7,500, the division does not find that applicant has the general fitness and the financial responsibility to warrant the belief that the business will be operated in compliance with s. 218.04, Stats.

22. Because applicant's December 31, 2009, March 31, 2010 and April 30, 2010 profit and loss statements disclosed significant, and increasing, net losses, the division does not find that applicant has the general fitness and the financial responsibility to warrant the belief that the business will be operated in compliance with s. 218.04, Stats.

DENIAL AND ORDER

Based on the foregoing:

23. The renewal application of applicant for a license under s. 218.04, Stats., is denied.

24. Applicant shall not engage in any activity for which a Wisconsin collection agency license is required.

25. Applicant shall comply with the provisions of s. 218.04(6)(c), Stats., and s. DFI-Bkg 74.10(2) and (3), Admin. Code.

26. Applicant shall provide the division with evidence, satisfactory to the division, that applicant has complied with the provisions of s. 218.04(6)(c), Stats., and s. DFI-Bkg 74.10(2) and (3), Admin. Code. Such evidence shall be received by the division by July 23, 2010.

27. The effective date of this notice and order shall be the date it is served, and service is complete upon mailing. Secs. 227.48(1), Stats., and DFI—Bkg 11.09, Admin. Code.

Dated and mailed at Madison, Wisconsin this 12th day of July, 2010.

By: [redacted]
Michael S. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W. Washington Avenue, 4th Floor
Madison, WI 53707-7876
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APPEAL

The procedures to appeal this notice are set forth in s. 227.42, Stats. Pursuant to s. 227.42(1), Stats., any person filing a written request with an agency for hearing shall have the right to a hearing which shall be treated as a contested case if:

(a) A substantial interest of the person is injured in fact or threatened with injury by agency action or inaction;

(b) There is no evidence of legislative intent that the interest is not to be protected;

(c) The injury to the person requesting a hearing is different in kind or degree from injury to the general public caused by the agency action or inaction; and

(d) There is a dispute of material fact.

All four criteria set for in s. 227.42(1), Stats., must be met for a person to have the right to a hearing. In particular, the attention of an individual or entity requesting a hearing is directed to the requirement to demonstrate that there is a dispute of material fact regarding the basis or bases for the action being taken by the division.

The request shall be sent to:

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