

ORDER

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

TO: Leading Edge Recovery Solutions LLC
5440 N Cumberland Avenue Suite 300
Chicago IL 60656-1490
Respondent

PURPOSE

This is an order issued by the Administrator, State of Wisconsin, Department of Financial Institutions, Division of Banking and directed to respondent.

JURISDICTION and AUTHORITY

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, pursuant to s. 220.02(2)(b), Stats.

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, pursuant to s. 220.02(3), Stats.

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

Respondent is licensed under s. 218.04, Stats., with the division, license #549. Respondent is located at the address indicated above.

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

The division may issue and serve on the official or regulated entity an order to cease and desist from the violation or practice. The order may require the official or regulated entity to correct the conditions resulting from the violation or practice. Sec. 220.04(9)(d), Stats.

As part of any such order, the division may impose a forfeiture of up to \$10,000 for each violation or practice. Sec. 220.04(9)(f), Stats.

A regulated entity who violates an order issued under s. 220.04(9)(d), Stats., shall, for each violation, forfeit not more than \$1,000 per day for each day the violation continues. Sec. 220.04(9)(f)2., Stats.

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:

1. Respondent was properly served with a Complaint and Notice of Hearing and Notice of Prehearing Conference ("Notice") issued by the division. **Ex. I.** Pursuant to this Notice, respondent was directed to provide an answer, and appear at a prehearing conference and hearing.
2. Respondent failed to provide an answer to the Notice.
3. By its failure to answer the Notice, respondent is in default. As a result of the default, respondent has admitted to the matters asserted and the violations set forth in the Notice, pursuant to s. 220.04(9)(d), Stats., and ss. DFI—Bkg 11.11 and 11.12, Admin. Code.

ORDER

Based on the foregoing, IT IS HEREBY ORDERED that respondent's Wisconsin collection agency license #549 is revoked.

Respondent shall immediately cease any activities for which a Wisconsin collection agency license is necessary.

Respondent shall comply with s. 218.04(6)(c), Stats., and s. DFI-Bkg 74.10, Admin. Code.

The provisions of this order shall be binding upon respondent and respondent's directors, officers, employees, agents, successors, assigns, and other persons participating in the conduct of its affairs. The provisions of the order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this order shall have been modified, terminated, suspended, or set aside by the division.

The effective date of this 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.

Any person who shall violate any provision of s. 218.04, Stats., shall be guilty of a misdemeanor and, for each and every such offense shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment in the county jail for not more than 6 months, or by both such fine and imprisonment. Sec. 218.04(12), Stats.

Dated and mailed at Madison, Wisconsin this 11th day of May, 2015.

By: Michael J. Mach
Michael J. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
P.O. Box 7876
201 W. Washington Avenue, Suite 500
Madison, WI 53707-7876
tel. (608) 266-0451
fax (608) 267-6889

APPEAL

Pursuant to ss. 227.48 and 227.49, Stats., respondent may file a petition for rehearing which shall be **received by the division within 20 days** after the effective date of this order. Rehearing will be granted only on the basis of some material error of law or fact, or the discovery of new evidence sufficiently strong to reverse or modify the order, and which could not have been previously discovered by due diligence.

The request shall be sent to:

Michael J. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
P.O. Box 7876
201 W. Washington Avenue, Suite 500
Madison, WI 53707-7876
tel. (608) 266-0451
fax (608) 267-6889

Pursuant to ss. 227.48(2) and 227.52, Stats., respondent may file a petition for judicial review within 30 days after the effective date of this order. The identification of the party to be named as respondent therein is the Wisconsin Department of Financial Institutions.

**COMPLAINT
And
NOTICE OF HEARING
And
NOTICE OF PREHEARING CONFERENCE**

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

TO: Leading Edge Recovery Solutions LLC
5440 N Cumberland Avenue Suite 300
Chicago IL 60656-1490
Respondent

PURPOSE

The purpose of this notice is to advise respondent that a hearing and a prehearing conference have been scheduled. The nature of the hearing is to consider whether the matters asserted below warrant the issuance of an order against respondent, the restriction, suspension, or revocation of respondent's license, and the assessment of any forfeitures.

PROCEEDINGS

Hearing	→	2:30 p.m., Thursday, May 21, 2015
Prehearing conference call	→	2:30 p.m., Thursday, May 14, 2015
Answer must be received by	→	4:30 p.m, Thursday, May 7, 2015

NOTICE IS HEREBY GIVEN that a hearing will be at the time and date indicated above at the State of Wisconsin, Department of Financial Institutions, 201 W. Washington Avenue, Suite 500, Madison, Wisconsin 53703, pursuant to s. 227.44, Stats.

NOTICE IS ALSO HEREBY GIVEN that the respondent is directed to appear before the hearing examiner for a prehearing conference in this matter. Such conference will be held at the time and date indicated above at the State of Wisconsin, Department of Financial Institutions, 201 W. Washington Avenue, Suite 500 Floor, Madison, Wisconsin 53703, pursuant to s. 227.44(4), Stats. Respondent represented by counsel must attend this conference unless the hearing examiner excuses respondent's appearance. In lieu of appearing in person at the prehearing, the respondent may appear via a telephone conference by telephoning the hearing examiner directly at tel. (608) 261-2311 at the time set for the prehearing conference.

The respondent is required to make answer to this notice in writing by the time and date indicated above. The answer shall be received by the Administrator of the division at the address indicated below by this time and date. Such answer must contain a specific denial of each of the numbered paragraphs and contents therein of the notice which are controverted by the respondent, and a statement of any new matter constituting a defense or affecting the respondent's situation which the respondent wishes to have considered. Such answer must also identify those numbered paragraphs and contents therein of the notice which are not controverted by the respondent. Every numbered paragraph and contents therein of the notice not controverted in the answer shall be taken as true, but new matter in the answer shall be deemed controverted without any reply being served or filed. Secs. DFI—Bkg 11.11 and 11.12, Admin. Code.

Failure to answer this notice by the time required, telephone in for the prehearing conference call, and/or attend the hearing are all grounds for default.

Should respondent or respondent's counsel state a conflict with any scheduled proceedings, the department may require supporting documentation. Conflicts scheduled subsequent to the issuance of this notice may not be accepted. For matters regarding scheduling contact Mark Schlei, Assistant Chief Legal Counsel, Department of Financial Institutions, Office of the Secretary, tel. 608-267-1705.

Ernest Jones, Staff Attorney, Department of Financial Institutions, Division of Banking, 201 W. Washington Avenue, Suite 500, P.O. Box 7876, Madison, Wisconsin, 53707-7876 is designated the hearing examiner for this matter.

MATTERS FOR HEARING

The matters to be asserted at the hearing are as follows:

1. Pursuant to s. 218.04(10)(a), Stats., each licensee shall annually, on or before the fifteenth day of March, file a report with the division giving such reasonable and relevant information as the division may require. Such report shall be made under oath and shall be in the form prescribed by the division.
2. Respondent's 2014 annual report was due in the division's office by March 15, 2015. The division has not yet received respondent's 2014 annual report.
3. Respondent violated s. 218.04(10)(a), Stats., by not submitting its 2014 annual report to the division by the required due date.
4. Pursuant to s. 218.04(5)(a)1, Stats., the division may suspend or revoke a collection agency license if the division finds that the collection agency violated any of the provisions of s. 218.04, Stats., or any lawful order of the division made thereunder.
5. Any matters similar to those identified *supra* and arising subsequent to the issuance of this hearing notice.

RESOLVING THE MATTER PRIOR TO HEARING

Respondent may attempt to resolve this matter by contacting the following:

Jean Plale, Director
Wisconsin Department of Financial Institutions
Division of Banking - Licensed Financial Services Bureau
P.O. Box 7876
201 W. Washington Avenue, Suite 500
Madison, WI 53707-7876
tel. (608) 266-0447
fax (608) 267-6889
e-mail jean.plale@wisconsin.gov

Merely contacting the department does not cancel scheduled proceedings in this matter. Unless the matter is resolved prior to any proceedings AND respondent is thereafter notified by the department that proceedings have been cancelled, this matter will proceed as scheduled.

JURISDICTION and AUTHORITY

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, pursuant to s. 220.02(2)(b), Stats.

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, pursuant to s. 220.02(3), Stats.

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

Respondent is licensed under s. 218.04, Stats., with the division, license #549. Respondent is located at the address indicated above.

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

This case is a class 2 proceeding. Sec. 227.01(3), Stats.

The division may serve a notice of hearing on a regulated entity if, as a result of an examination or other report made to the division, the division determines any of the following: an official or regulated entity is violating or is about to violate the banking laws of this state or any rule or order issued by the division; the regulated entity is being operated in an unsafe or unsound manner; or an official is violating or about to violate a written condition which the division imposed in connection with granting an application or request by the regulated entity, or a written agreement entered into with the division. Sec. 220.04(9)(b), Stats. As a

result of examination or other report made to the division, the division has determined the matters set forth for hearing *infra*.

If the respondent fails to appear or if upon the record made at the hearing the division finds that a violation or unsafe or unsound practice has been established, the division may issue and serve on the official or regulated entity an order to cease and desist from the violation or practice. The order may require the official or regulated entity to correct the conditions resulting from the violation or practice. Sec. 220.04(9)(d), Stats.

As part of any such order, the division may impose a forfeiture of up to \$10,000 for each violation or practice. Sec. 220.04(9)(f), Stats.

A regulated entity who violates an order issued under s. 220.04(9)(d), Stats., shall, for each violation, forfeit not more than \$1,000 per day for each day the violation continues. Sec. 220.04(9)(f)2., Stats.

Pursuant to ss. 218.04(5)(a)1. to 5., Stats., the division may suspend or revoke any license if the division finds any of the following: the licensee has violated any provisions of s. 218.04, Stats., or any lawful order of the division made thereunder; any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the division in refusing to issue such license; the licensee has failed to pay the annual license fee or to maintain in effect the required bond; the licensee has failed to remit money due to any and all claimants or forwarders within 30 days from the close of the month during which the collection was effected; or the licensee or any officer or employee of it has violated chs. 421 to 427 and 429, Stats.

Pursuant to s. 218.04(5)(ar), Stats., the division shall revoke a license if the licensee is liable for certain delinquent taxes.

Pursuant to s. 218.04(5)(am), Stats., the division shall restrict or suspend a license for any of the matters set forth therein.

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.

MISCELLANEOUS

The hearing shall be conducted in the manner specified under ss. 227.44 to 227.50, Stats., and ch. DFI—Bkg 11, Admin. Code.

Dated and mailed at Madison, Wisconsin this 15th day of April, 2015.

By: Michael J. Mach
Michael J. Mach, Administrator
Wisconsin Department of Financial Institutions
Division of Banking
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