

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Collection Agency License
3 of:

No. 07F-BD009-BNK

CONSENT ORDER

4 **U.S. RECOVERIES, WORLDWIDE, L.L.C.**
5 **AND JOE D. LEAL, PRESIDENT**
6 112 N. Central Ave., Suite A-5
7 Phoenix, AZ 85004

Respondents.

8 On August 11, 2006, the Arizona Department of Financial Institutions ("Department") issued
9 a Notice of Hearing alleging that Respondents had violated Arizona law. Wishing to resolve this
10 matter in lieu of an administrative hearing and without admitting liability, Respondents do not
11 contest the following Findings of Fact and Conclusions of Law, and consent to the entry of the
12 following Order.

13 FINDINGS OF FACT

14 1. Respondent U.S. Recoveries, Worldwide, L.L.C. ("USRW") is an Arizona limited liability
15 company authorized to transact business in Arizona as a collection agency, license number
16 CA-0906241, within the meaning of A.R.S. §§ 32-1001, *et seq.* The nature of USRW's business is
17 that of soliciting claims for collection and collection of claims owed, due, or asserted to be owed or
18 due within the meaning of A.R.S. § 32-1001(A)(2)(a).

19 2. Respondent Joe D. Leal ("Mr. Leal") is the President of USRW, and, as such, is authorized to
20 transact business in Arizona as a collection agent, within the meaning of A.R.S. §§ 32-1001, *et seq.*

21 3. On or around January 19, 2006, the Department conducted an examination of USRW's
22 business affairs. As a result of the examination, the Department discovered the following:

- 23 a. Respondents failed to notify the Superintendent that Mr. Leal became the sole
24 managing member of USRW pursuant to an April 14, 2004 operating agreement and
25 amendment;

26 ...

- b. Respondents failed to notify the Superintendent that their principal place of business changed from Suite 425 to Suite A-5;
- c. Respondents maintained unsigned written contracts or contract agreements between Respondents and a client;
- d. Respondents failed to provide all records of the business of USRW; and
- e. Respondents use or have used several names under the same license; specifically: (1) U.S. Recoveries; (2) Worldwide; (3) U.S. Recoveries, Worldwide dba Joe D. Leal; and (4) U.S. Recoveries dba Brookmays Credit Service.

CONCLUSIONS OF LAW

1. Pursuant to A.R.S. Title 32, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the collection agency business and with the enforcement of statutes, rules, and regulations relating to collection agencies.

2. By the conduct set forth above in the Findings of Fact, USRW and Mr. Leal violated the following:

- a. A.A.C. R20-4-1503(A) by failing to notify the Superintendent that Mr. Leal became the sole managing member of USRW pursuant to an April 14, 2004 operating agreement and amendment;
- b. A.A.C. R20-4-1503(B) by failing to notify the Superintendent that their principal place of business changed from Suite 425 to Suite A-5;
- c. A.A.C. R20-4-1504(B)(3) by failing to maintain signed written contracts or contract agreements between Respondents and a client;
- d. A.A.C. R20-4-1504(B)(6) by failing to provide all records of the business of USRW; and
- e. A.A.C. R20-4-1519 by using several names under the same license.

3. Respondents have not conducted business in accordance with the law and violated Title 32, Chapter 9 and the rules relating to this chapter, which are grounds for license denial, suspension, or

1 revocation pursuant to A.R.S. § 32-1053.

2 4. The violations, set forth above, constitute grounds for the pursuit of any other remedy
3 necessary or proper for the enforcement of statutes and rules regulating collection agencies in
4 Arizona pursuant to A.R.S. §§ 6-123 and 6-131.

5 5. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes are
6 grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for
7 each day.

8 **ORDER**

9 1. USRW and Mr. Leal shall immediately stop the violations set forth in the Findings of Fact
10 and Conclusions of Law.

11 2. USRW shall immediately surrender its original collection agency license to the Department;
12 and

13 3. USRW shall immediately transfer all Arizona collection agency business to an Arizona
14 licensed collection agency.

15 4. The provisions of this Order shall be binding upon Respondents, their employees, agents, and
16 other persons participating in the conduct of the affairs of Respondents.

17 5. This Order shall become effective upon service, and shall remain effective and enforceable
18 until such time as, and except to the extent that, it shall be stayed, modified, terminated, or set aside.

19 SO ORDERED this 27th day of September, 2006.

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21 _____
22 Felecia A. Rotellini
23 Superintendent of Financial Institutions

23 **CONSENT TO ENTRY OF ORDER**

24 1. Respondents acknowledge that they have been served with a copy of the foregoing Findings
25 of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are
26 aware of their right to an administrative hearing in this matter, and have waived the same.

1 COPY mailed same date to:

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3 Office of the Administrative Hearings
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5 Craig A. Raby, Assistant Attorney General
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