

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Unlicensed Activity of:

No. 07F-BD013-BNK

3 **ALL STARR MANAGEMENT SERVICES**
4 **FKA ALL STARR COLLECTION SERVICES**
5 **AND LIZ STARR, OWNER**
48 N. Acoma Blvd. #100-73
Lake Havasu City, AZ 86403

CONSENT ORDER

6 Petitioners.

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8 On September 11, 2006, the Arizona Department of Financial Institutions ("Department")
9 issued a Notice of Hearing, alleging that Petitioners had violated Arizona law. Wishing to resolve
10 this matter in lieu of an administrative hearing, Petitioners consent to the following Findings of Fact
11 and Conclusions of Law, and consent to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Petitioner All Starr Management Services fka All Starr Collections ("ASMS") is an
14 Arizona sole proprietorship that is not and was not, at any time material herein, authorized to
15 transact business in Arizona as a collection agency within the meaning of A.R.S. §§ 32-1001, *et seq.*
16 The nature of ASMS' business is that of soliciting claims for collection or in collection of claims
17 owed, due, or asserted to be owed or due within the meaning of A.R.S. § 32-1001(A)(2)(a). ASMS
18 has not registered its trade name with either the Arizona Corporation Commission or the Office of
19 the Arizona Secretary of State.

20 2. Petitioner Liz Starr ("Ms. Starr") is the Owner of ASMS and is not and was not, at
21 any time material herein, authorized to transact business in Arizona as a collection agent within the
22 meaning of A.R.S. §§ 32-1001, *et seq.*

23 3. ASMS and Ms. Starr are not exempt from licensure as a collection agency within the
24 meaning of A.R.S. §§ 32-1004.

25 4. On or around May 3, 2006, the Department became aware of Petitioners' unlicensed
26 collection agency activities. Specifically:

1 a. The Department received a copy of Petitioners' April 1, 2006 collection letter
2 involving Dr. Kevin O'Brien's patient. Petitioners' letter states, in pertinent
3 part, that: "... To avoid your account going further in the collection process,
4 please remit payment in full by April 20, 2006 ... Your past due balance is
5 \$53.80 ..."; and

6 b. Petitioners have a website located at www.allstarrcollections.org, which
7 solicits collection business and states, in pertinent part, that: "We will handle
8 all collections and other account receivable services that is based on your
9 company's needs".

10 5. On May 8, 2006, the Department sent Petitioners a letter indicating that the
11 Department received information that Petitioners are operating in Arizona as a collection agency
12 without the benefit of a license. The Department gave Petitioners an opportunity to respond by
13 May 18, 2006.

14 6. On May 25, 2006, Petitioners sent a facsimile to the Department explaining, among
15 other things, how their business operates. Petitioners stated that they changed their name from All
16 Starr Collections to ASMS to avoid being classified as a collection agency. Petitioners indicated that
17 they have mailed approximately 322 collection letters to approximately 161 patients whose accounts
18 are past due.

19 7. Petitioners, as of this date, have not applied for a collection agency license with the
20 Department.

21 8. Based upon the above findings, the Department issued and served upon ASMS and
22 Ms. Starr an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of
23 Order ("Cease and Desist Order") on August 17, 2006.

24 9. On August 20, 2006, Petitioners filed a Request For Hearing to appeal the Cease and
25 Desist Order.

26 ...

1 CONCLUSIONS OF LAW

2 1. Pursuant to A.R.S. §§ 32-1001, *et seq.*, the Superintendent has the authority and the
3 duty to regulate all persons engaged in the collection agency business and with the enforcement of
4 statutes, rules, and regulations relating to collection agencies.

5 2. By the conduct, set forth above, ASMS and Ms. Starr violated the following:

6 a. A.R.S. § 32-1021(A) by failing to make an original application to the department
7 upon forms prescribed by the superintendent before conducting collection agency
8 activities; and

9 b. A.R.S. § 32-1055(A) by conducting collection agency activities in this state
10 without having first applied for and obtaining a license.

11 3. The violations, set forth above, constitute grounds for: (1) the issuance of an order
12 pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to
13 take the appropriate affirmative actions, within a reasonable period of time prescribed by the
14 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and
15 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; and (3) an
16 order or any other remedy necessary or proper for the enforcement of statutes and rules regulating
17 collection agencies pursuant to A.R.S. §§ 6-123 and 6-131.

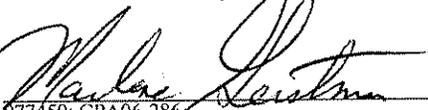
18 ORDER

19 1. ASMS and Ms. Starr shall immediately stop all collection agency
20 activity in Arizona until such time as ASMS and Ms. Starr have obtained a collection agency license
21 from the Superintendent as prescribed by A.R.S. §32-1021(A).

22 2. ASMS and Ms. Starr shall pay to the Department, on or before October 5, 2006, a
23 civil money penalty in the amount of one thousand dollars (\$1,000). ASMS and Ms. Starr are jointly
24 and severally liable for payment of the civil money penalty.

25 3. The provisions of this Order shall be binding upon ASMS and Ms. Starr, their
26 employees, agents, and other persons participating in the conduct of the affairs of ASMS.

1 Liz Starr, Owner
All Starr Management Services
2 3818 Mission Drive
Lake Havasu City, AZ 86406
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