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DEPARTMENT OF  
FINANCIAL INSTITUTIONS

ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Unlicensed Activity of:

No. 13F-BD063-SBD

**HALSTEAD FINANCIAL SERVICES, LLC**  
8001 N. Skokie Avenue, Suite LL2  
Skokie, IL 60077

**CONSENT ORDER**

Respondent.

On November 26, 2014, the Arizona Department of Financial Institutions ("Department") issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order, alleging that Respondent had violated Arizona law. Wishing to resolve this matter in lieu of an administrative hearing, and without admitting liability, Respondent consents to the following Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

FINDINGS OF FACT

1. Respondent Halstead Financial Services, LLC ("Halstead") is an Illinois limited liability company that is not and was not at any time material herein authorized to transact business in Arizona as a collection agency within the meaning of A.R.S. §§ 32-1001, *et seq.* The nature of Halstead's business is that of soliciting claims for collection and collection of claims owed, due, or asserted to be owed or due within the meaning of A.R.S. § 32-1001(2)(a).

2. Halstead is not exempt from licensure as a collection agency within the meaning of A.R.S. § 32-1004(A).

3. On or around March 27, 2014, during the course of an examination, the Department became aware that Respondent was transacting collection agency business in Arizona without first applying for and obtaining the required collection agency license from the Department.

4. While conducting the examination of Second Round, LP ("Licensee"), collection agency license number CA-0911120, the Department's Financial Institutions Examiner learned that on or around September 18, 2012, Respondent entered into a Servicing Agreement with Licensee to collect accounts Licensee had purchased outright from various creditors. The Servicing Agreement

1 authorizes Halstead to collect delinquent debts on behalf of the Licensee.

2 5. Licensee's general ledger disclosed that Halstead made collections for Licensee from  
3 Arizona residents between May 18, 2013 through December 23, 2013.

4 6. On April 2, 2014, the Department sent a letter to Respondent, stating that the Department  
5 had reason to believe it was engaged in the collection agency business in Arizona without the benefit  
6 of license, in violation of A.R.S. § 32-1055(A). The letter provided Respondent with an opportunity  
7 to submit a written response to present information showing whether the violations occurred and its  
8 plans to comply with appropriate Arizona statutes, and requested its response be provided not later  
9 than April 12, 2014.

10 7. On April 16, 2014, the Department received a written response, dated April 14, 2014,  
11 from Mr. Navanandan, stating that Halstead fully intends to comply with Arizona law, and does not  
12 knowingly conduct collection agency business in Arizona. Further the response stated that Halstead  
13 informed its clients that they cannot collect in the State of Arizona, have advised their software  
14 vendor to flag and block collector access to such an account, and have implemented policies that  
15 block phone numbers with Arizona area codes.

16 8. As of the issuance of this Order to Cease and Desist, the Department has not received a  
17 collection agency license application from Respondent.

18 9. These Findings of Fact shall also serve as Conclusions of Law.

19 **CONCLUSIONS OF LAW**

20 1. Pursuant to A.R.S. Title 6 and Title 32, Chapter 9, the Superintendent has the authority  
21 and duty to regulate all persons engaged in the collection agency business and with the enforcement  
22 of statutes, rules, and regulations relating to collection agencies.

23 2. By the conduct set forth in the Findings of Fact, Halstead violated the following:

24 a. A.R.S. § 32-1021(A) by failing to make an original application to the Department  
25 upon forms prescribed by the Superintendent before conducting collection agency  
26 activity; and







1 Joseph J. Lico, Esq.  
Adam L. Plotkin, P.c.  
2 621 Seventeenth Street, Suite 1800  
Denver, CO 80293  
3 JLico@Alp-Pc.com  
Attorneys for Respondent

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