

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Unlicensed Activity of:

No. 08F-BD003-BNK

3 **LIQUIDEBT SYSTEMS, INC. AND**
4 **JAMES DROLSHAGEN, PRESIDENT**
29 W 110 Butterfield Road Suite 108
Warrenville, IL 60555

CONSENT ORDER

5
6 Petitioners.

7 On July 18, 2007, the Arizona Department of Financial Institutions ("Department") issued a
8 Notice of Hearing, alleging that Petitioners had violated Arizona law. Wishing to resolve this matter
9 in lieu of an administrative hearing, Petitioners consent to the following Findings of Fact and
10 Conclusions of Law, and consent to the entry of the following Order.

11 **FINDINGS OF FACT**

12 1. Petitioner Liquidebt Systems, Inc. ("Liquidebt Systems ") is an Illinois-based
13 corporation that is not and was not, at any time material herein, authorized to transact business in
14 Arizona as a collection agency within the meaning of A.R.S. §§ 32-1001, *et seq.* The nature of
15 Liquidebt System's business is that of soliciting claims for collection or in collection of claims
16 owed, due, or asserted to be owed or due within the meaning of A.R.S. § 32-1001(A)(2)(a).

17 2. Petitioner James Drolshagen ("Mr. Drolshagen") is the President of Liquidebt
18 Systems and is not and was not, at any time material herein, authorized to transact business in
19 Arizona as a collection agent within the meaning of A.R.S. §§ 32-1001, *et seq.*

20 3. Liquidebt Systems and Mr. Drolshagen are not exempt from licensure as a collection
21 agency within the meaning of A.R.S. §§ 32-1004(A).

22 4. On or around December 13, 2006, an Arizona resident forwarded to the Department a
23 copy of a dunning letter from Liquidebt System that was addressed to an Arizona Corporation. The
24 letter is dated December 6, 2006, and discloses that Liquidebt Systems was retained by Merrill
25 Appraisal Services to collect a past due account from Bridge Capital Corporation and demands
26 payment within seven days of receipt of their letter.

1 following:

- 2 a. A.R.S. § 32-1021(A) by failing to make an original application to the Department
3 upon forms prescribed by the Superintendent before conducting collection agency
4 activities in Arizona; and
5 b. A.R.S. § 32-1055(A) by conducting collection agency activities in Arizona
6 without having first applied for and obtained a license.

7 3. Liquidebt Systems and Mr. Drolshagen are not exempt from licensure as a collection
8 agency within the meaning of A.R.S. §§ 32-1004(A).

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

16 **ORDER**

17 1. Liquidebt Systems and Mr. Drolshagen shall immediately cease and desist from
18 engaging in all Arizona collection agency activities;

19 2. Liquidebt Systems and Mr. Drolshagen, President, shall immediately pay to the
20 Department a civil money penalty in the amount of **two thousand five hundred dollars**
21 **(\$2,500.00)**. Liquidebt Systems and Mr. Drolshagen are jointly and severally liable for payment of
22 the civil money penalty.

23 3. The provisions of this Order shall be binding upon Liquidebt Systems and Mr.
24 Drolshagen, their employees, agents, and other persons participating in the conduct of the affairs of
25 Liquidebt Systems.

26 4. This Order shall become effective upon service, and shall remain effective and

1 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
2 or set aside.

3 SO ORDERED this 28th day of August, 2007.

4
5
6 By: Felecia A. Rotellini
7 Felecia A. Rotellini
8 Superintendent of Financial Institutions

9 **CONSENT TO ENTRY OF ORDER**

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

13 2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the
14 foregoing Findings of Fact, Conclusions of Law, and Order.

15 3. Petitioners state that no promise of any kind or nature has been made to induce them
16 to consent to the entry of this Order, and that they have done so voluntarily.

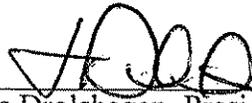
17 4. Petitioners agree to cease from engaging in the violative conduct set forth above in
18 the Findings of Fact and Conclusions of Law.

19 5. Petitioners acknowledge that the acceptance of this Agreement by the Superintendent
20 is solely to settle this matter and does not preclude this Department, any other agency or officer of
21 this state or subdivision thereof from instituting other proceedings as may be appropriate now or in
22 the future.

23 6. James Drolshagen, on behalf of Liquidebt Systems, Inc. and himself, represents that
24 he is the President, and that, as such, has been authorized by Liquidebt Systems, Inc. to consent to
25 the entry of this Order on its behalf.

26 7. Petitioners waive all rights to seek judicial review or otherwise to challenge or contest
the validity of this Order.

1 DATED this 17 day of August, 2007.

2
3 By 
4 James Drolshagen, President
Liquidebt Systems, Inc.

5 ORIGINAL of the foregoing filed this 28
6 day of August, 2007, in the office of:

7 Felecia A. Rotellini
8 Superintendent of Financial Institutions
9 Arizona Department of Financial Institutions
10 ATTN: June Beckwith
11 2910 N. 44th Street, Suite 310
12 Phoenix, AZ 85018

13 COPY mailed same date to:

14 Daniel Martin, Administrative Law Judge
15 Office of the Administrative Hearings
16 1400 West Washington, Suite 101
17 Phoenix, AZ 85007

18 Craig A. Raby, Assistant Attorney General
19 Office of the Attorney General
20 1275 West Washington
21 Phoenix, AZ 85007

22 Richard Fergus, Division Manager
23 Richard Traveler, Senior Examiner
24 Arizona Department of Financial Institutions
25 2910 N. 44th Street, Suite 310
26 Phoenix, AZ 85018

AND COPY MAILED SAME DATE by
Certified Mail, Return Receipt Requested, to:

James Drolshagen, President
Liquidebt Systems, Inc.
29 W 110 Butterfield Road Suite 108
Warrenville, IL 60555



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