### ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Unlicensed Activity of:

No. 13F-BD032-SBD

INTERNATIONAL ASSET GROUP, LLC AND JAMES PRAWEL, MANAGING MEMBER CONSENT ORDER

495 Commerce Drive, Suite 2 Amherst, NY 14228

Respondents.

7

8

9

10

11

12

1

2

3

4

5

6

On October 30, 2012, 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 Respondents had violated Arizona law. Wishing to resolve this matter in lieu of an administrative hearing, Respondents consent to the following Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

13

# FINDINGS OF FACT

company that is not and was not at any time material herein authorized to transact business in

Respondent International Asset Group, LLC ("IAG") is a New York limited liability

- 14
- 15
- 16 17
- 18
- 19
- 2021

§§ 32-1001, et seq.

- 2223
- 24
- 25
- 26

- Arizona as a collection agency within the meaning of A.R.S. §§ 32-1001, et seq. The nature of IAG'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. Respondent James Prawel ("Mr. Prawel") is the Floor Manager of IAG, and is not authorized to transact business in Arizona as a collection agency within the meaning of A.R.S.
- 3. IAG and Mr. Prawel are not exempt from licensure as a collection agency within the meaning of A.R.S. § 32-1004(A).
- 4. On April 2, 2012, the Department received from the Arizona Attorney General's Office ("AG's Office") a March 26, 2012 consumer complaint filed by an Arizona resident against IAG. The complaint described a debt collection telephone call erroneously made to the complainant on

March 26, 2012, at 7:32 a.m., from an IAG representative. The complaint described the circumstances surrounding the phone call, including complainant's attempts to advise the IAG representative that the call was to a wrong number and also the early hour of the call. The complaint further described the treatment received from IAG and their refusal to allow statements to be made.

- 5. In addition, the Department received from the AG's Office a copy of a consumer complaint filed against IAG on March 1, 2012, by an Arizona resident, which stated that he had received numerous harassing debt collection calls from IAG, despite his informing them that he was not the person they were trying to contact. The complainant stated that he had received at least 100 harassing calls to his cell phone and that IAG left him threatening messages.
- 6. On April 17, 2012, the Department sent a letter to Respondents, stating that the Department had reason to believe they were engaged in the collection agency business in Arizona without the benefit of license, in violation of A.R.S. § 32-1055(A). The letter provided Respondents with an opportunity to submit a written response to present information showing whether the violations occurred and their plans to comply with appropriate Arizona statutes, and requested their response be provided not later than May 1, 2012.
- 7. On May 8, 2012, the Department received a written response from attorney Brent J. Nowicki ("Mr. Nowicki"), counsel for Respondents, stating that IAG had sometime earlier retained a licensing service provider with regard to Arizona licensing requirements, that Respondents understood that all necessary paperwork had been submitted, and further stated that he would see that the matter regarding licensing be expedited.
- 8. On May 9, 2012, the Department sent a letter to Mr. Nowicki, requesting that the Department be provided, on or before May 23, 2012, with the total number of Respondents' Arizona accounts, open and closed account, since December 16, 2009; and the amount of money Respondents recouped from Arizona residents since December 16, 2009.
- 9. On May 9, 2012, the Department sent an email to the Better Business Bureau of Upstate New York, geninquiries@upstatenybbb.org, requesting a report of any complaints filed against IAG

by Arizona consumers. In response, the Department received information and documentation from the Better Business Bureau regarding four (4) complaints filed against IAG by Arizona consumers.

- 10. On May 22, 2012, the Department received a letter from Mr. Nowicki, confirming an agreed extension until May 30, 2012 to provide the Department the information requested by its letter of May 9, 2012.
- 11. On May 25, 2012, the Department received a letter from Mr. Nowicki, providing information regarding IAG's Arizona accounts. The letter stated that "Since December 16, 2009, IAG has had a total of 2,741 active accounts, 1,423 which have been collected on. The total dollar amount collected on these accounts is \$260,986.74."
- 12. On June 27, 2012, the Department sent an email message to Mr. Nowicki asking him to confirm that the figures provided in his May 25, 2012 letter were Arizona account information rather than accounts in general. After discussing the matter by telephone, on July 3, 2012 the Department sent an email to Mr. Nowicki confirming that the numbers provided were "specific to Arizona only."
- 13. As of the issuance of this Order to Cease and Desist, the Department has not received a collection agency license application from Respondents.
  - 14. These Findings of Fact shall also serve as Conclusions of Law.

#### **CONCLUSIONS OF LAW**

- 1. Pursuant to A.R.S. Title 6 and 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 in the Findings of Fact, IAG violated the following:
    - a. A.R.S. § 32-1021(A) by failing to make an original application to the Department upon forms prescribed by the Superintendent before conducting collection agency activity; and
    - b. A.R.S. § 32-1055(A) by conducting collection agency activity in Arizona without having first applied for and obtained a collection agency license under A.R.S.

§ 32-1001, et seq.

- 3. IAG and Mr. Prawel are not exempt from licensure as a collection agency within the meaning of A.R.S. § 32-1004(A).
- 4. Pursuant to A.R.S. § 6-132, IAG' violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.
- 5. The violations of applicable laws, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; and (3) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating collection agencies pursuant to A.R.S. §§ 6-123 and 6-131.

# **ORDER**

- 1. Respondents shall immediately stop the violations set forth in the Findings of Fact and Conclusions of Law.
- 2. Respondents shall immediately stop all collection agency activity in Arizona until such time as Respondents have obtained a collection agency license from the Superintendent as prescribed by A.R.S. § 32-1021.
- 3. Respondents shall immediately pay to the Department a civil money penalty in the amount of one thousand dollars (\$1,000.00).
  - 4. Respondents shall immediately shut down any and all websites.
- Respondents shall hereby represent to the Department that they are no longer conducting collection agency business of any kind in the state of Arizona.
- 6. James Prawel shall immediately provide to the Department an affidavit describing his duties and responsibilities at the International Asset Group, acceptable to the Department.
  - 7. Respondents shall comply with all Arizona statutes and rules regulating Arizona

8. The provisions of this Order shall be binding upon Respondents, their employees, agents,

and other persons participating in the conduct of the affairs of Respondents.

collection agencies (A.R.S. § 32-1001, et seq.).

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

SO ORDERED this 28 day of January, 2013.

Lauren Kingry Superintendent of Financial Institutions

Robert D. Charlton

Assistant Superintendent of Financial Institutions

# **CONSENT TO ENTRY OF ORDER**

- 1. Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.
- 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.
- 3. Respondents state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.
- 4. Respondents agree to immediately cease from engaging in the violative conduct set forth in the Findings of Fact and Conclusions of Law.
- 5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

1	6. David Segal, on behalf of International Asset Group, LLC and himself, represents
2	that he is the former Manager, and that, as such, has been authorized by International Asset Group,
3	LLC to consent to the entry of this Order on its behalf.
4	7. Respondents waive all rights to seek judicial review or otherwise to challenge or
5	contest the validity of the Cease and Desist Order.
6	DATED this 8 day of JANUARY, 2013.
7	
8	David Segal, former Manager International Asset Group, LLC
9	ORIGINAL of the foregoing filed this 304
10	day of Jamany, 2013, in the office of:
11	Lauren W. Kingry Superintendent of Financial Institutions Arizona Department of Financial Institutions Attn: Sabrina Zimmerman 2910 N. 44th Street, Suite 310 Phoenix, AZ 85018
12	
13	
14	
15	COPY of the foregoing mailed/delivered same date to:
16	Craig A. Raby Assistant Attorney General
17	Arizona Attorney General's Office 1275 West Washington
18	Phoenix, AZ 85007
19	Robert D. Charlton, Assistant Superintendent Lori Mann, Senior Examiner Arizona Department of Financial Institutions 2910 N. 44th Street, Suite 310 Phoenix, AZ 85018
20	
21	
22	AND COPY MAILED SAME DATE by Certified Mail, Return Receipt Requested, to:
23	
24	David Segal, former Manager International Asset Group, LLC 495 Commerce Drive, Suite 2 Amherst, NY 14228
25	
26	Respondents

Kyle C. Reeb, Esq. HODGSON RUSS LLP The Guaranty Building 140 Pearl Street, Suite 100 Buffalo, NY 14202-4040 Attorneys for Respondents

# 2958420