

BEFORE THE ATTORNEY GENERAL
AND
THE ADMINISTRATOR OF THE
COLORADO FAIR DEBT COLLECTION PRACTICES ACT

STIPULATION AND FINAL AGENCY ORDER

and

ASSURANCE OF DISCONTINUANCE

In the Matter of:

TRUEACCORD CORP.

Respondent.

This Stipulation and Final Agency Order (“Stipulation” or “Order”) is entered into by TrueAccord Corp. (“TrueAccord”) and the Administrator (“Administrator”) of the Colorado Fair Debt Collection Practices Act, Colo. Rev. Stat. section 5-16-101, *et seq.* (“CFDCPA”)—pursuant to section 5-16-114 of the CFDCPA—to address issues arising from a past compliance examination.

This Assurance of Discontinuance (“AOD”) is entered into by TrueAccord, the Administrator, and Philip J. Weiser, Attorney General of the State of Colorado (“Attorney General”)—collectively “Parties”—pursuant to and section 6-1-110 of the Colorado Consumer Protection Act (“CCPA”), to address issues arising from the Administrator’s past compliance examination and the Attorney General’s investigation of consumer complaints.

SECTION I — Definitions

1. The term “Effective Date” means the date upon which this Stipulation and AOD is signed by both the Administrator and the Attorney General.

2. Unless otherwise specified, all definitions found in the CFDCPA and CCPA are incorporated herein, and any term defined therein shall have the same meaning when used in this Stipulation.

SECTION II — Stipulation and Final Agency Order

Findings of Facts and Conclusions of Law

3. TrueAccord is a Delaware corporation with a principal place of business located at 16011 College Blvd., Ste. 130, Lenexa, Kansas 66219.

4. TrueAccord is licensed as a collection agency with the State of Colorado.

5. TrueAccord collects and attempts to collect money from consumers—in Colorado and other states—for defaulted debt owned by TrueAccord's clients.

6. The Administrator is authorized to enforce the CFDCPA and, among other things, she is authorized to: examine collection agencies; conduct investigations of possible violations; and enforce compliance with the CFDCPA via an administrative enforcement order, assurance of discontinuance, or civil action. C.R.S. §§ 5-16-114; 5-16-125.5; and 5-16-127.

7. On September 2, 2022, the Administrator issued a Report of Examination ("Exam") to TrueAccord citing it for violations of Colo. Rev. Stat. sections 5-16-107(1)(b)(I) and 5-16-108 of the CFDCPA.

8. Colorado's Uniform Consumer Credit Code ("UCCC") applies to consumer credit transactions made in Colorado, including transactions between a Colorado resident and a creditor who solicited or advertised in Colorado by internet or any other electronic means. C.R.S. § 5-1-201(1).

9. Colorado consumers may not waive or agree to forego rights or benefits under the UCCC, which provides that an agreement by a consumer is invalid with respect to consumer credit transactions which provide that the law of another state shall apply or that the consumer consents to the jurisdiction of another state. C.R.S. §§ 5-1-106(1) and 5-1-201(8).

10. Section 5-2-201(1) of the UCCC prohibits unlicensed lenders from imposing a finance charge exceeding 12% per year on the unpaid balance of the amount financed and Colorado consumers are relieved of the obligation to pay any finance charge exceeding the 12% cap imposed on unlicensed lenders, and are entitled to a refund from the lender, or its assignee, for any excess amount that they paid. C.R.S. § 5-5-201(2).

11. TrueAccord previously contracted to collect debt from Colorado consumers on behalf of clients who were unlicensed lending entities associated with federally-recognized Native American tribes (“Tribal Lending Entities” or “TLEs”).

12. From at least November 1, 2017 to June 22, 2022, TrueAccord collected (or attempted to collect) on at least 28,728 Colorado consumers for defaulted debt arising from loans originated by Tribal Lending Entities.

13. Colorado consumers entered into loan agreements with the Tribal Lending Entities via the TLEs’ websites, which solicited or advertised their loans to Colorado consumers. Among other things, the TLEs’ loan agreements with Colorado consumers provided that tribal law governed the agreement and that the consumer consented to tribal jurisdiction.

14. None of the TLEs were licensed Colorado lenders and all the loan agreements the TLEs entered into with Colorado consumers contained finance charge terms that significantly exceeded the UCCC’s 12% finance charge cap on unlicensed lenders—most exceeded 500% APR and some approached 900% APR.

15. In collecting (or attempting to collect) on loans originated by unlicensed lenders exceeding the UCCC’s 12% finance charge cap—“Tribal Loans”—the Administrator alleges that TrueAccord used false, deceptive, or misleading representations or means in connection with the collection of debt from Colorado consumers by representing, expressly or impliedly, that the entire loan balance was owed to them, that they were legally authorized to collect the associated payments, and that consumers were legally obligated to pay the full amount collected and demanded. C.R.S. § 5-16-107(1)(b)(I).

16. In collecting (or attempting to collect) on Tribal Loans, the Administrator alleges that TrueAccord used unfair or unconscionable means to collect (or attempt to collect) debt from Colorado consumers by representing, expressly or impliedly, that the entire loan balance was owed to the TLE’s, that TrueAccord was legally authorized to collect the associated payments, and that consumers were legally obligated to pay the full amount collected and demanded. C.R.S. § 5-16-108.

17. TrueAccord ceased collecting on tribal loans in June 2022.

18. TrueAccord denies that its conduct violated any Colorado law and otherwise denies all allegations of wrongdoing.

Order

Pursuant to Colo. Rev. Stat. section 5-16-114, the Administrator hereby orders as follows:

Injunctive Terms

19. TrueAccord agrees, together with all related or affiliated entities, and its officers, directors, shareholders, managers, members, principals, subsidiaries, heirs, successors, and assigns, together with all other persons, corporations, associations, or other entities acting under the entities' or individual's direction and control, or in active concert or participation with TrueAccord, or by whom TrueAccord may employ or contract with, that TrueAccord shall not engage in, now or in the future, any conduct described herein that violates the CFDCPA.

20. TrueAccord shall immediately cease and desist from collecting, attempting to collect, and receiving payment from Colorado consumers on debt where the loan creating the debt was made in Colorado and exceeds the finance charge caps imposed by the UCCC, including but not limited to, loans offered via the internet to Colorado consumers by unlicensed lenders purportedly associated with federally-recognized Native American tribes. C.R.S. §§ 5-1-201 and 5-2-201.

21. Within thirty (30) days of the Effective Date of this Order and AOD, TrueAccord shall provide the Administrator with a list of the Colorado consumers from whom it collected payment for Tribal Loans, to include the consumer's the name and last known physical address, email address, and phone number.

22. TrueAccord retains its license to operate in Colorado under the CFDCPA and may continue to operate in Colorado in compliance with the CFDCPA and consistent with this Order.

23. TrueAccord will continue to apply for a renewal license, as required by law, for the duration it performs services in Colorado in connection with the CFDCPA.

SECTION III — Assurance of Discontinuance

24. The Attorney General has concurrent responsibility—along with state district attorneys—for enforcement of the CCPA and is authorized to conduct investigations of possible violations and enforce compliance with the CCPA via an assurance of discontinuance or civil action. C.R.S. §§ 6-1-103; 6-1-107; 6-1-110; and 6-1-116.

25. In collecting (or attempting to collect) on loans originated by unlicensed lenders exceeding the UCCC's 12% finance charge cap, the Administrator alleges that TrueAccord knowingly or recklessly engaged in unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent acts or practices by representing, expressly or impliedly, that the entire loan balance was owed to them, that they were legally authorized to collect the associated payments, and that Colorado consumers were legally obligated to pay the full amount collected and demanded. C.R.S. §§ 6-1-105(1)(e), (rrr), (2), and (3).

26. TrueAccord denies that its conduct violated any Colorado law and otherwise denies all allegations of wrongdoing.

27. To resolve these issues, TrueAccord has agreed to the injunctive relief provided for in Section II of this Order and AOD and the Monetary Relief provided for in Section IV of this Order and AOD.

SECTION IV — Monetary Relief

28. TrueAccord shall pay \$500,000 to the Attorney General in four equal installments as follows:

- \$125,000.00 no later than February 29, 2024;
- \$125,000.00 no later than June 30, 2024;
- \$125,000.00 no later than September 30, 2024; and
- \$125,000.00 no later than December 31, 2024.

All payments made under this Section IV are to be held, along with any interest thereon, in trust by the Attorney General, to be used in the Attorney General's sole discretion for reimbursement of attorneys' fees and costs, the payment of consumer restitution, for consumer or creditor educational purposes, for future consumer credit or consumer protection enforcement, and/or for public welfare purposes.

29. All payments due the Attorney General hereunder shall be deemed paid upon the receipt of the payment. TrueAccord may pay by check or ACH transfer. Checks shall be made payable to the "Colorado Department of Law." The checks should be mailed to: "Administrator, UCCC, attn: Philip Sparr and Miriam Burnett, 1300 Broadway, 6th/7th Floor, Denver, Colorado 80203." Wire transfer instructions will be provided upon request for any ACH transfers.

SECTION V — Stipulation and Release

30. TrueAccord agrees and stipulates to this Order and all terms contained herein.

31. It is the intent and purpose of this Order and AOD to resolve fully the particular issues, allegations, or charges raised by the Administrator's exam, outlined in the Report of Examination, and the Attorney General's investigation of TrueAccord's activities as set forth above, and only those issues. Further, the omission from this Order and AOD of other acts, conduct, or practices which might constitute violations of the CFDCPA or CCPA shall not be deemed or construed to be approval by the Administrator or the Attorney General of such acts, conduct, or practices.

32. TrueAccord acknowledges that it has a right to request an evidentiary hearing in this matter, present evidence, examine witnesses, and appeal from any adverse action and waive those rights.

33. TrueAccord agrees that this Order and AOD contains the entire agreement between TrueAccord, the Administrator, and the Attorney General and is binding upon all the officers, directors, employees, shareholders, managers, members, principals, affiliates, agents, trade names, heirs, and successors of the TrueAccord.

34. This Order and AOD shall be disclosed in any application to the Administrator and in response to any question regarding state disciplinary or administrative action.

35. Colorado law governs this Order and AOD. Any claims or causes of action arising out of or based upon this Order and AOD shall be commenced before the Colorado Office of Administrative Courts or in Denver District Court for the State of Colorado, as appropriate. TrueAccord hereby consents to the jurisdiction, venue and process of the Colorado Office of Administrative Courts and the Denver District Court. In the event of any action or proceeding alleging or asserting a violation of or failure to comply with this Order and AOD, this Order shall be admissible in full and shall be evidence that prior to this Order and AOD, TrueAccord engaged in the acts and practices described herein.

AS TO SECTIONS I, II, and V of the ORDER and AOD, EXECUTED AND SO ORDERED by the Administrator this __14th__ day of January, 2024.




Martha Fulford
Administrator
Colorado Fair Debt
Collection Practices Act

[SIGNATURE PAGE TO FOLLOW]

AGREED TO AND STIPULATED BY (SECTIONS I, II, and V):

TRUEACCORD CORP.

BY:  _____

MARK RAVANESI, CEO
16011 College Blvd.
Ste. 130
Lenexa, KS 66219

Date: 12/29/2023

APPROVED AS TO FORM (SECTIONS I, II, AND V):

TRUEACCORD CORP.

BY:  _____

Jason Dunn
Shareholder
Brownstein Hyatt Farber Schreck,
LLP
410 Seventeenth Street, Ste. 2200
Denver, CO 80202
Phone: (303) 223-1171
jdunn@BHFS.com

Date: 1-2-2024

ADMINISTRATOR


BY:  _____

Philip Sparr
Assistant Attorney General
Consumer Protection Section
Colorado Department of Law
1300 Broadway, 6th Floor
Denver, CO 80203
Phone: (720) 508-6245
philip.sparr@coag.gov

Date: 1/12/2024

AGREED TO AND STIPULATED BY (I, III, IV, and V):

TRUEACCORD CORP.

BY:  _____

MARK RAVANESI, CEO
16011 College Blvd.
Ste. 130
Lenexa, KS 66219

Date: 12/29/2023

APPROVED AS TO FORM (SECTIONS I, III, IV, AND V):

TRUEACCORD CORP.

BY:  _____

Jason Dunn
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410 Seventeenth Street, Ste. 2200
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Date: 1-2-2024

COLORADO ATTORNEY GENERAL

BY:  _____

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philip.sparr@coag.gov

Date: 1/12/2024