

1 In re the Matter of: ) Case No.: 08-211  
 2 State of New Hampshire Banking )  
 3 Department, )  
 4 Petitioner, ) Order to Show Cause and  
 5 and ) Cease and Desist  
 6 Express Consolidation, Inc., Randall )  
 7 L. Leshin, P.A. (d/b/a RLL), Randall )  
 8 L. Leshin, Esq., Linda Lewis, Richard )  
 9 Medlock, [REDACTED] Joseph )  
 10 Morovits, [REDACTED] and [REDACTED] )  
 11 [REDACTED] )  
 12 Respondents )  
 13 )

14 NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")

15 1. This Order commences an adjudicative proceeding under the provisions  
 16 of RSA Chapter 399-D (including RSA 399-D:13,I, RSA 399-D:23,I and II, RSA  
 17 399-D:24, IV and V and RSA 399-D:25,IV) and RSA Chapter 541-A.

18 2. The Commissioner may impose administrative penalties of up to  
 19 \$2,500.00 for each violation. RSA 399-D:24,IV and V.

20 RESPONDENTS

21 3. Express Consolidation, Inc. ("Respondent Express") is a corporation  
 22 duly incorporated in the State of Florida on October 12, 2000 with a  
 23 principal office location in Palm Springs, Florida. Respondent Express has  
 24 also had an office location in Delray Beach, Florida. Respondent Express is  
 25 not registered with the New Hampshire Secretary of State. Respondent

1 Express is a "Person" as defined under RSA 399-D:2,VII.

2 4. The New Hampshire Banking Department's ("Department") records indicate  
3 that Respondent Express has never held a New Hampshire Debt Adjuster  
4 license.

5 5. Randall L. Leshin, P.A. (d/b/a RLL) ("Respondent Leshin, P.A.") is a  
6 corporation duly incorporated in the State of Florida on April 18, 1994 with  
7 a principal office location in Pompano Beach, Florida. Respondent Leshin,  
8 P.A. is not registered with the New Hampshire Secretary of State.  
9 Respondent Leshin, P.A. is a "Person" as defined under RSA 399-D:2,VII.

10 6. Department records indicate that Respondent Leshin, P.A. has never  
11 held a New Hampshire Debt Adjuster license.

12 7. Randall L. Leshin, Esq. ("Respondent Leshin, Esq.") is listed in the  
13 Florida Secretary of State filings as the President and Director of  
14 Respondent Express. Respondent Leshin, Esq. is listed in the Florida  
15 Secretary of State filings as the President and Director of Respondent  
16 Leshin, P.A. Respondent Leshin, Esq. is an attorney licensed to practice  
17 law in the State of Florida since November 18, 1983. Respondent Leshin,  
18 Esq. is not licensed to practice law in the State of New Hampshire.  
19 Respondent Leshin, Esq. is a Control Person (RSA 399-D:2,II-a), a Direct  
20 Owner (RSA 399-D:2,V-b), a Principal (RSA 399-D:2,VII-a), and a Person (RSA  
21 399-D:2,VII).

22 8. Department records indicate that Respondent Leshin, Esq. has never  
23 held a New Hampshire Debt Adjuster license.

24 9. Linda Lewis ("Respondent Lewis") is listed in the Florida Secretary of  
25 State filings as a Director of Respondent Express. Respondent Lewis is a

1 Control Person (RSA 399-D:2,II-a), a Direct Owner (RSA 399-D:2,V-b), a  
2 Principal (RSA 399-D:2,VII-a), and a Person (RSA 399-D:2,VII).

3 10. Department records indicate that Respondent Lewis has never held a New  
4 Hampshire Debt Adjuster license.

5 11. Richard Medlock ("Respondent Medlock") is listed in the Florida  
6 Secretary of State filings as a Director of Respondent Express. Respondent  
7 Medlock is a Control Person (RSA 399-D:2,II-a), a Direct Owner (RSA 399-  
8 D:2,V-b), a Principal (RSA 399-D:2,VII-a), and a Person (RSA 399-D:2,VII).

9 12. Department records indicate that Respondent Medlock has never held a  
10 New Hampshire Debt Adjuster license.

11 13. [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 14. [REDACTED]

16 [REDACTED]

17 15. Joseph Morovits ("Respondent Morovits") is listed in the Florida  
18 Secretary of State filings as a Director of Respondent Express. Respondent  
19 Morovits is a Control Person (RSA 399-D:2,II-a), a Direct Owner (RSA 399-  
20 D:2,V-b), a Principal (RSA 399-D:2,VII-a), and a Person (RSA 399-D:2,VII).

21 16. Department records indicate that Respondent Morovits has never held a  
22 New Hampshire Debt Adjuster license.

23 17. [REDACTED]

24 [REDACTED]

25 [REDACTED]

[REDACTED]

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18. [REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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20. [REDACTED]

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[REDACTED]

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21. The above-named Respondents are hereinafter collectively known as "Respondents."

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RIGHT TO REQUEST A HEARING

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22. Respondents have a right to request a hearing on this Order. A hearing shall be held not later than ten (10) days after the Commissioner receives the Respondents' written request for a hearing. Respondents may request a hearing and waive the ten (10) day hearing requirement. The hearing shall comply with RSA Chapter 541-A, Administrative Rule JUS Chapter 800, RSA 399-D:13, I and RSA 399-D:23, I and II.

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23. If any person fails to request a hearing within thirty (30) days of receiving this Order, then such person shall be deemed in default, and the Order shall, on the thirty-first (31<sup>st</sup>) day, become permanent, all allegations may be deemed true, and shall remain in full force and effect until modified or vacated by the Commissioner for good cause shown. RSA 399-D:13, I and RSA 399-D:23, II.

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24. A default may result in administrative fines as described in Paragraph

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1 2 above.

2 STATEMENT OF ALLEGATIONS

3 25. On May 27, 2008, the Department received correspondence from the  
4 Federal Trade Commission ("FTC") regarding a settlement that the FTC entered  
5 into with debt adjusters servicing residents of New Hampshire and other  
6 states. This correspondence indicated that Respondents would have to seek  
7 licensure in the State of New Hampshire or transfer their current New  
8 Hampshire consumer files to a licensed debt adjuster. Respondent Express  
9 submitted an application with the Department to become a licensed Debt  
10 Adjuster on May 20, 2008.

11 26. On May 30, 2008, the Department sent correspondence to Respondents'  
12 counsel indicating that the Department would be reviewing the Respondents'  
13 activity in New Hampshire prior to the license application submitted by  
14 Respondent Express. The Department requested a copy of all contracts  
15 between New Hampshire consumers and the Respondents.

16 27. On June 13, 2008, the Department received correspondence from  
17 Respondents' counsel containing the New Hampshire consumer contracts.  
18 Respondents' counsel indicated that all of the enclosed contracts were  
19 clients of Respondent Leshin, P.A. and Respondent Express merely acts as a  
20 servicing agent for those accounts but does not maintain any client of its  
21 own. Respondent Express is the only Respondent that submitted a license  
22 application with the Department. The Respondents provided a list of the New  
23 Hampshire consumers that contracted with them. The Department redacted the  
24 list and it is attached as Exhibit A herein. There are eleven (11) New  
25 Hampshire consumers that contracted with Respondents prior to September 9,

1 2004; however, Respondents continued to offer debt adjustment services to  
2 these consumers after the Department retained jurisdiction under RSA Chapter  
3 399-D on September 9, 2004.

4 28. On October 28, 2008, the Department sent correspondence to  
5 Respondents' counsel indicating that the Department had reviewed the  
6 contracts and the contracts did not conform to New Hampshire law. The  
7 Department requested that the Respondents bring the contracts into  
8 compliance with New Hampshire law and supply the Department with a sample  
9 copy that would be used for New Hampshire consumers. The Department also  
10 requested additional information regarding Respondents' New Hampshire  
11 clients.

12 29. On June 22, 2009, the Department received a correspondence from  
13 Respondent Leshin, Esq. indicating that he wished to withdraw the New  
14 Hampshire Debt Adjuster license application for Respondent Express. The  
15 correspondence did not include the additional information requested by the  
16 Department. Respondent Leshin, Esq. indicated that the fees are collected  
17 by Respondent Leshin, P.A. and comply with New Hampshire statutory fee  
18 requirements.

19 30. On June 22, 2009, the Department sent correspondence to Respondent  
20 Leshin, Esq. seeking clarification as to which Respondent was charging a fee  
21 to New Hampshire consumers as none of the Respondents were licensed by the  
22 Department.

23 31. On June 22, 2009, the Department received correspondence from  
24 Respondent Leshin, Esq. indicating that Respondent Leshin, P.A. was  
25 collecting the fees from New Hampshire consumers.

1 32. On June 23, 2009, the Department sent correspondence to Respondent  
2 Leshin, Esq. indicating that Respondents could not conduct business in New  
3 Hampshire unless Respondents were properly licensed or Respondents had a  
4 licensed New Hampshire attorney conducting the debt adjustment services.  
5 The Department provided Respondent Leshin, Esq. with the applicable  
6 statutes.

7 33. On June 24, 2009, the Department received correspondence from  
8 Respondent Leshin, Esq. indicating that the Respondents disagreed with the  
9 Department's interpretation of RSA Chapter 399-D.

10 34. On October 15, 2009, the Department received a complaint from a New  
11 Hampshire consumer ("Consumer 4") against Respondent Express concerning debt  
12 adjustment services.

13 35. On February 11, 2004, Respondents contracted with Consumer 4 to  
14 provide debt adjustment services. The Department has jurisdiction over any  
15 debt adjustment activity which occurred after September 9, 2004 without a  
16 New Hampshire debt adjuster license, in violation of RSA 399-D:3,I.  
17 Respondents provided Consumer 4 debt adjustment services after September 9,  
18 2004, and charged Consumer 4 a monthly administrative fee of \$49.00 for  
19 these services. In 2009, Consumer 4 completed the debt adjustment services  
20 offered by Respondents and requested a refund of \$1,406.00. The requested  
21 refund was for reimbursement of an advance payment that Consumer 4 was told  
22 would be refunded once all of the creditors were satisfied. The requested  
23 refund was denied by the Respondents citing financial hardship on the part  
24 of the Respondents.

25 36. On September 16, 2010, the Department sent a letter via U.S. Certified

1 Mail return receipt requested and via facsimile to Respondents at the Delray  
2 Beach, Florida address, instructing Respondents to apply for licensure with  
3 the Department, requesting documents relative to New Hampshire consumers,  
4 and requesting a resolution of the consumer complaint filed by Consumer 4.  
5 Respondents received the correspondence sent by U.S. certified mail on  
6 September 20, 2010. The Department received a report which indicated that  
7 the facsimile was transmitted properly.

8 37. To date, Respondents have failed to provide the additional information  
9 requested by the Department, in violation of RSA 399-D:22,VIII.

10 38. The Respondents provided unlicensed debt adjustment services to at  
11 least eighty-one (81) New Hampshire consumers in violation of RSA 399-D:3,I.

12 39. Based upon the consumer list provided by the Respondents, the  
13 Department was able to determine that the Respondents collected a fee from  
14 seventy (70) New Hampshire consumers prior to any payment to the New  
15 Hampshire consumers' creditors, in violation of RSA 399-D:14,I, and without  
16 the consent of the creditors, in violation of RSA 399-D:14,II. Respondents  
17 collected a fee from eleven (11) additional New Hampshire consumers prior to  
18 any payment to these New Hampshire consumers' creditors, and without the  
19 consent of the creditors; however this activity was conducted prior to  
20 September 9, 2004, before the Department had jurisdiction.

21 \_\_\_\_\_ /s/ \_\_\_\_\_  
22 Ryan McFarland  
23 Hearings Examiner

12/14/11  
Date

23 **ORDER**

24 40. **I hereby find as follows:**

25 a. Pursuant to RSA 399-D:13,I, the facts as alleged above, if true,

1 show Respondents are operating or have operated in violation of RSA Chapter  
2 399-D and form the legal basis for this Order;

3 b. Pursuant to 399-D:25,VI, this Order is necessary and appropriate  
4 to the public interest and for the protection of consumers and consistent  
5 with the purpose and intent of New Hampshire banking laws;

6 c. The Department finds pursuant to RSA 399-D:23,II reasonable  
7 cause to issue an order to cease and desist; and

8 d. Pursuant to RSA 399-D:13,I and RSA 399-D:23,II, if any  
9 Respondent fails to respond to this Order and/or defaults then all facts as  
10 alleged herein may be deemed as true.

11 41. **Accordingly, it is hereby ORDERED that:**

12 a. Respondents shall cease and desist from violating RSA Chapter  
13 399-D and rules or orders thereunder;

14 b. Respondents shall immediately provide the Department a list of  
15 all New Hampshire consumers for whom Respondents have conducted or  
16 contracted to conduct debt adjustment activities. This list must include  
17 the names and contact information of the New Hampshire consumers, along with  
18 all monies charged, collected, and/or waived (if applicable). The list  
19 shall also be accompanied by all contracts, checks to and from the consumer  
20 and any other documents in the New Hampshire consumers' files;

21 c. Respondents shall show cause why the Commissioner should not  
22 enter an order of rescission, restitution, or disgorgement of profits as set  
23 out in Attachment A;

24 d. Respondents shall show cause why an administrative fine of up to  
25 a maximum of \$2,500.00 per violation (as stated in Counts below) should not

1 be imposed as follows:

2 (1). Respondent Express:

3 #1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I)

4 - 81 Counts;

5 #2: Collecting a Fee prior to payment to creditors (RSA  
6 399-D:14,I) - 70 Counts;

7 #3: Collecting a Fee without consent of the creditors (RSA  
8 399-D:14,II) - 70 Counts;

9 #4: Failure to provide documents (RSA 399-D:22,VIII) - 1  
10 Count;

11 (2). Respondent Leshin, P.A.:

12 #1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I)

13 - 81 Counts;

14 #2: Collecting a Fee prior to payment to creditors (RSA  
15 399-D:14,I) - 70 Counts;

16 #3: Collecting a Fee without consent of the creditors (RSA  
17 399-D:14,II) - 70 Counts;

18 #4: Failure to provide documents (RSA 399-D:22,VIII) - 1  
19 Count;

20 (3). Respondent Leshin, Esq. (as Control Person, Direct Owner,  
21 and Principal):

22 #1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I)

23 - 81 Counts;

24 #2: Collecting a Fee prior to payment to creditors (RSA  
25 399-D:14,I) - 70 Counts;

1 #3: Collecting a Fee without consent of the creditors (RSA  
2 399-D:14,II) - 70 Counts;

3 #4: Failure to provide documents (RSA 399-D:22,VIII) - 1  
4 Count;

5 (4). Respondent Lewis (as Control Person, Direct Owner, and  
6 Principal):

7 #1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I)  
8 - 81 Counts;

9 #2: Collecting a Fee prior to payment to creditors (RSA  
10 399-D:14,I) - 70 Counts;

11 #3: Collecting a Fee without consent of the creditors (RSA  
12 399-D:14,II) - 70 Counts;

13 #4: Failure to provide documents (RSA 399-D:22,VIII) - 1  
14 Count;

15 (5). Respondent Medlock (as Control Person, Direct Owner, and  
16 Principal):

17 #1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I)  
18 - 81 Counts;

19 #2: Collecting a Fee prior to payment to creditors (RSA  
20 399-D:14,I) - 70 Counts;

21 #3: Collecting a Fee without consent of the creditors (RSA  
22 399-D:14,II) - 70 Counts;

23 #4: Failure to provide documents (RSA 399-D:22,VIII) - 1  
24 Count;

25 (6). |



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[REDACTED]

(7). Respondent Morovits (as Control Person, Direct Owner, and Principal):

#1: Unlicensed activity as a debt adjuster (RSA 399-D:3,I) - 81 Counts;

#2: Collecting a Fee prior to payment to creditors (RSA 399-D:14,I) - 70 Counts;

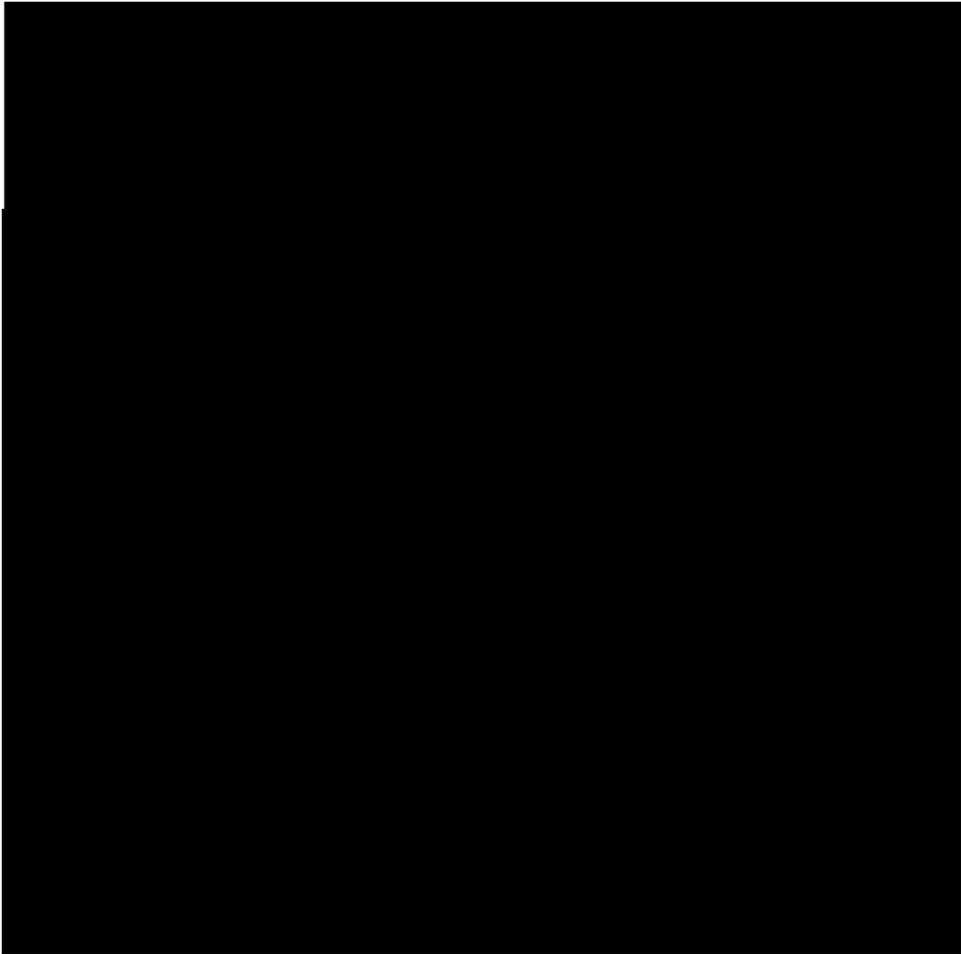
#3: Collecting a Fee without consent of the creditors (RSA 399-D:14,II) - 70 Counts;

#4: Failure to provide documents (RSA 399-D:22,VIII) - 1 Count;

(8). [REDACTED]

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e. Nothing in this Order:

(1). shall prevent the Department from taking any further administrative and legal action as necessary under New Hampshire law; and

(2). shall prevent the New Hampshire Office of the Attorney General from bringing an action against the above named Respondents in any New Hampshire superior court, with or without prior administrative action by the Commissioner.

**SO ORDERED.**

\_\_\_\_\_/s/  
RONALD A. WILBUR  
BANK COMMISSIONER

Dated: 12/23/11