STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
FINANCIAL INSTITUTIONS DIVISION

IN THE MATTER OF:	)	
	)	FID NO: 2015-11
CFS2, INC.,	)	
	)	**ORDER DENYING RENEWAL**
RESPONDENT.	)	**OF LICENSE**

INTRODUCTION

On July 22, 2015, the Director of the Financial Institutions Division ("the Division") for the State of New Mexico, acting by and pursuant to the authority of the New Mexico Collection Agency Regulatory Act, NMSA 1978, Section 61-18A to -33, issued an administrative notice of contemplated action to deny Collection Agency license renewal for CFS2, Inc. ("Respondent") under administrative cause number 2015-11.

On July 22, 2015 Respondent was duly served with a true copy of the Notice of Contemplated Action to Deny License Renewal by United States certified mail, postage prepaid, and addressed to Respondent at the last known address: Patrick S. Wells, 2488 E. 81st Street, Suite 600, Tulsa, Oklahoma 74137. According to the USPS Tracking System, the certified package was signed for on July 28, 2015 at 10:26 a.m.

NOW THEREFORE, after consideration of the investigation conducted and the evidence presented by the Notice of Contemplated Action to Deny Renewal of License and pursuant to the Collection Agency Regulatory Act ("the Act"), the Director hereby issues the following Findings of Fact, Conclusions of Law and Order Denying License Renewal.

FINDINGS OF FACT

On or about June 16, 2015, an application for renewal of license was received by the Division from Respondent. The application was due May 31, 2015 for renewal of the license for

2015. The application, received on June 16, 2015 was incomplete as the financial statements were unsigned as required by the Director. Respondent was contacted and later submitted sworn financial statements.

The financial statements that were included with the 2015 renewal application reflected a negative equity of greater than six million dollars. The 2013 and 2014 renewal applications also reflected a negative net worth. Despite the negative net worth, the 2013 and 2014 licenses were approved based on the explanation provided by Respondent. Respondent explained that the business plan included negative net worth for the first two years of operation but would be in full compliance by the end of 2014. As of July 2015 the Respondent has failed to meet the $10,000 net worth as required in the Act.

CONCLUSIONS OF LAW

Respondent has failed to meet the requirements of NMSA 1978, Section 61-18A-9 which states:

> **The application for a collection agency license shall be accompanied by a financial statement of the applicant up to not more than sixty days prior to date of application for a new license or renewal, showing the assets and liabilities of the applicant and truly reflecting that that applicant's net worth is not less than the sum of ten thousand dollars ($10,000), and that its liquid assets are not less than one thousand dollars ($1,000) available for use in licensee's business. The financial statement shall be sworn to by the applicant, if the applicant is an individual or by a partner, director, manager or trustee in its behalf, if the applicant is a partnership, corporation or unincorporated association. The information contained in the financial statement shall be confidential and not a public record.**

ORDER

NOW, THEREFORE, THE DIRECTOR HEREBY ORDERS:

That Respondent has failed to meet the requirements of the Act, in particular NMSA 1978, Section 61-18A-9. The Director hereby denies Respondent a license renewal as a collection agency.

IT IS SO ORDERED.

Cynthia Richards
Director
Financial Institutions Division

Oct. 9, 2015
Date

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and copy of the foregoing Order Denying Renewal of License to be delivered by Certified Mail to Patrick S. Wells, 2488 E. 81st Street, Suite 600, Tulsa, Oklahoma 74137 on this 9th day of October, 2015.

Michelle Medina