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2 **STATE OF CALIFORNIA**
3 **BUSINESS, TRANSPORTATION AND HOUSING AGENCY**
4 **DEPARTMENT OF CORPORATIONS**

4 TO: Express Consolidation, Inc.
5 ECI
6 Randall L. Leshin, President, Treasurer and Executive Director
7 413 NE 3rd Street
8 Delray Beach, FL 33483

7 and

8 777 E. Atlantic Avenue Suite C2, #370
9 Delray Beach, FL 33483

10 Randall L. Leshin, P.A.
11 924 SE 6th Street
12 Fort Lauderdale FL 33301

13 **DESIST AND REFRAIN ORDER**

14 **(For violations of sections 12200, 12104 and 12314 of the Financial Code)**

15 The California Corporations Commissioner (“Commissioner”) finds that:

16 1. The Department of Corporations (“Department”) has jurisdiction over and regulates
17 bill payers and proraters under the Check Sellers, Bill Payers and Proraters Law set forth in the
18 California Financial Code section 12000 et seq.

19 2. California Financial Code section 12200 requires a license from the Department or
20 bona fide exemption to engage in the business as a check seller, bill payer or prorater in California.

21 3. On October 12, 2000, Express Consolidation, Inc. (“ECI”) was incorporated in Florida
22 as a non-profit corporation and since that time has done business throughout the United States
23 with its principal business address located at 413 NE 3d Street, Delray Beach, FL 33483. ECI
24 also does business at 777 E. Atlantic Avenue Suite C2, #370 Delray Beach, FL 33483.

25 4. Randall L. Leshin (“Leshin”) is the president, treasurer and executive director and Charles
26 Ferdon (“Ferdon”) is the vice president and secretary of ECI.

27 5. Leshin is also a licensed attorney in the State of California doing business as Randall
28 Leshin, P.A. with his business located at 924 SE 6th Street, Fort Lauderdale, FL 33301.

1 6. Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin have engaged in
2 activities in violation of the Check Sellers, Bill Payers and Proraters Law pursuant to the California
3 Financial Code section 12000 et seq by providing services of receiving money as an agent of an
4 obligor for the purpose of paying bills and/or prorating services to California consumers in exchange
5 for a fee. To promote their services they advertised by means of telemarketing, their Web sites that
6 include www.expressconsolidation.org and www.dmcounseling.com and their toll-free telephone
7 numbers. Their prorating services consist of debt management services/programs that involve
8 negotiations of repayment plans with creditors of consumers, whereby, in exchange for various fees,
9 Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin receive money from the
10 consumer to distribute among a consumer's creditors in payment of that consumer's obligations.

11 7. Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin begin the debt
12 settlement process for a consumer only after they have obtained extensive and detailed personal
13 and financial information about a consumer's identity, credit cards and bank accounts through
14 their application process. A consumer is also required to make all payments (money orders,
15 cashiers checks or electronic debits) payable to ECI's offices located at 777 E. Atlantic Avenue
16 Suite C2, #370, Delray Beach, Fl 33483. Express Consolidated, Inc. ECI, Randall L. Leshin, P.A.
17 and Leshin also provide the forms to consumers so that they can electronically debit a consumer's
18 bank accounts to withdraw funds from the consumer's bank account for the payment of fees and
19 for payments to a respective consumer's creditors.

20 8. Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin require
21 consumers to give them authorization and limited power of attorney that grants "ECI and any
22 agents, subcontractors, and employees of ECI authorization, authority and limited power of
23 attorney to communicate, discuss and negotiate payments terms and conditions, extension and
24 deferment of the [consumer's] accounts with creditors."

25 9. California consumers must pay a \$50 set up fee and a monthly administrative fee of
26 10% of the consumer's monthly payment. In exchange for these fees Express Consolidated, Inc.,
27 ECI, Randall L. Leshin, P.A. and Leshin provide services of arranging a payment schedule on
28 behalf of the consumer to distribute payments monthly to the creditors of the consumer with

1 purported benefits that include arranging for creditors to accept reduced payments, lower interest
2 rates, and reducing or eliminating late fees and over-limit charges for credit cards.

3 10. ECI never filed with the Department the form, Nonprofit Community Service
4 Organization Notice and Written Consent Notice, (Form CSCL 118) to claim an exemption from the
5 licensing requirements of the Check Sellers, Bill Payers and Proraters Law. Thus, during all relevant
6 times ECI did not meet the exemption requirement found in California Financial Code section 12104.

7 11. Not until February 29, 2008, did ECI filed with the Department an application to do
8 business as a General Prorater (Form CSCL 104) and obtain a license pursuant to the requirement of
9 the Check Sellers, Bill Payers and Proraters Law pursuant to Financial Code section 12201 et seq.
10 The authorized individual signing on behalf of Express Consolidation, Inc. was Leshin. In the
11 application, Leshin indicated that he was the officer considered as the applicant's principal managing
12 officer. The Department assigned File Number 943-0122 to the documents submitted by Leshin. A
13 review of the documents filed by ECI and subsequently provided by Ferdon reveals that ECI, Leshin
14 and others had engaged in unlicensed, non-exempt prorating activities in the State of California.

15 12. Documents show at least 2,427 residents of California were induced to enter into
16 agreements with ECI and Leshin. Although in many cases the agreements were between Randall L.
17 Leshin, P.A. and consumers, all the agreements clearly stated that Randall L. Leshin, P.A. was "not
18 providing any legal services." Thus, Randall L. Leshin, P.A. and Leshin cannot meet the legal
19 requirements for an exemption from the licensing requirement found in the Check Sellers, Bill Payers
20 and Proraters Law.

21 13. Additionally, California consumers were overcharged amounts that exceed the statutory
22 limits found in California Financial Code sections 12104 and 12314 for nonprofit community service
23 organizations and for profit entities operating as proraters, respectively.

24 14. California Financial Code section 12200, states:

25 No person shall engage in the business, for compensation, of selling checks,
26 drafts, money orders, or other commercial paper serving the same purpose, or of
27 receiving money as agent of an obligor for the purpose of paying bills, invoices,
28 or accounts of such obligor, or acting as a prorater, nor shall any person, without
direct compensation and not as an authorized agent for a utility company, accept
money for the purpose of forwarding it to others in payment of utility bills,
without first obtaining a license from the commissioner.

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15. The definition of a prorater in Financial Code section 12002.1 states:

A prorater is a person who, for compensation, engages in whole or in part in the business of receiving money or evidences thereof for the purpose of distributing the money or evidences thereof among creditors in payment or partial payment of the obligations of the debtor.

16. In order to be exempt from licensure, Financial Code section 12104 states:

A nonprofit community service organization that meets all of the following criteria shall be exempt from any requirements imposed on proraters pursuant to this division:

(a) The nonprofit community service organization incorporates in this state or any other state as a nonprofit corporation and operates pursuant to either the Nonprofit Public Benefit Corporation Law, . . . or the Nonprofit Mutual Benefit Corporation Law, . . .

(d) The nonprofit community service organization receives from a debtor no more than the following maximum amounts to offset the organization's actual and necessary expenses for the services described in subdivision (c): a one-time sum not to exceed fifty dollars (\$50) for education and counseling combined in connection with debt management or debt settlement services; and for debt management plans, a sum not to exceed 8 percent of the money disbursed monthly, or thirty-five dollars (\$35) per month, whichever is less, and for debt settlement plans a sum not to exceed 15 percent of the amount of the debt forgiven for negotiated debt settlement plans. Nonprofit community service organizations shall not require any upfront payments or deposits on debt settlement plans and may only require payment of fees once the debt has been successfully settled. For purposes of this subdivision, a household shall be considered one debtor. The fees allowed pursuant to this subdivision shall be the only fees that may be charged by a nonprofit community service organization for any services related to a debt management plan or a debt settlement plan.

(i) The nonprofit community service organization submits to the commissioner, at the organization's expense, an audit report containing audited financial statements covering the calendar year or . . . fiscal year, then for that fiscal year, within 120 days after the close of the calendar or fiscal year.

(j) The nonprofit community service organization submits with the annual financial statements required under subdivision (i) a declaration that conforms to Section 2015.5 of the Code of Civil Procedure . . .

1 17. The Department did not receive from ECI any documents that are required to be filed
2 to meet the requirements for an exemption under California Financial Code section 12104.

3 18. All non-exempt bill payers and proraters in this state are required to be licensed by the
4 Commissioner. Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin cannot satisfy
5 the criteria to meet any statutory exemption from the Check Sellers Bill Payers and Proraters Law's
6 licensing requirement. Thus, during all relevant times they have been unlicensed and unauthorized to
7 act as either bill payers or proraters in the State of California.

8 19. Moreover, Express Consolidated, Inc., ECI, Randall L. Leshin, P.A. and Leshin charged
9 consumers amounts that exceed the statutory amounts authorized by the Legislature in that their fees
10 violate California Financial Code sections 12104 and 12314.

11 Based upon the foregoing findings, the California Corporations Commissioner is of the
12 opinion that Express Consolidation, Inc., ECI, Randall L. Leshin, P.A., and Randall L. Leshin, acting
13 in concert or in participation with others, have been engaging in the business of bill paying and
14 prorating as defined in the Check Sellers, Bill Payers and Proraters Law without a license from the
15 California Corporations Commissioner or meeting any exemption and in violation of that law
16 including overcharging consumers in violation of Financial Code sections 12104 or 12314.

17 Pursuant to Financial Code section 12103, the California Corporations Commissioner thereby
18 orders Express Consolidation, Inc., ECI, Randall L. Leshin, P.A., and Randall L. Leshin, acting in
19 concert or participation with others, to desist and refrain from engaging in business as a bill payer or
20 prorater unless they are licensed or exempt and from violating Financial Code sections 12104 or
21 12314. This Order is necessary, in the public interest, and for the protection of consumers.

22 Dated: July 15, 2008
23 Los Angeles, California

24 PRESTON DuFAUCHARD
25 California Corporations Commissioner

26 By _____

27 ALAN S. WEINGER
28 Acting Deputy Commissioner
Enforcement Division