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| DISTRICT COURT, ADAMS COUNTY, COLORADO Court Address: 1100 Judicial Center Drive, Brighton, CO, 80601 | DATE FILED: December 5, 2012 11:34 AM CASE NUMBER: 2011CV1834 <p style="text-align: center;">⚠ COURT USE ONLY ⚠</p> |
| Plaintiff(s) ORION FINANCIAL GROUP INC et al. v. Defendant(s) LAURA E UDIS et al. | |
| Order | |
| Case Number: 2011CV1834 Division: A Courtroom: | |

GRANTED.

The attached order is granted.

Issue Date: 12/5/2012



EDWARD CHARLES MOSS
 District Court Judge

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| <p>ADAMS COUNTY, DISTRICT COURT, COLORADO</p> <p>1100 Judicial Center Drive Brighton, CO 80601</p> <hr/> <p>Plaintiff:</p> <p>ORION FINANCIAL GROUP, INC.</p> <p>Involuntary Plaintiff:</p> <p>ERIC THOMPSON</p> <p>v.</p> <p>Defendants:</p> <p>JOHN W. SUTHERS, COLORADO ATTORNEY GENERAL, and LAURA E. UDIS, ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE, FIRST ASSISTANT ATTORNEY GENERAL</p> | <p style="text-align: center;">▲ COURT USE ONLY ▲</p> |
| | <p>Case No.: 11CV1834</p> <p>Division: A Courtroom: 505</p> |
| <p>[PROPOSED] CONSENT DECREE</p> | |

Defendants and Counter-Plaintiffs, the State of Colorado *ex rel.* John W. Suthers, Attorney General for the State of Colorado, and Laura E. Udis, Administrator of the Colorado Uniform Consumer Credit Code (together, the “State”), on the one hand, and Plaintiff and Counter-Defendant Orion Financial Group, Inc. (“Orion”) and Involuntary Plaintiff Eric Thompson (“Thompson”) (together, the “Orion Parties”), on the other hand, by and through respective counsel, hereby consent to the entry of final judgment in this matter, as embodied in this Consent Decree, to resolve fully and finally the claims and issues between the State and the Orion Parties, without trial or hearing, and to avoid the additional time and expense associated with continuing litigation.

The Court, having considered this matter and being otherwise fully advised in the premises,

DOES HEREBY FIND, CONCLUDE, ORDER, DECREE, AND ADJUDGE as follows:

I. JURISDICTION AND VENUE

1. The District Court, Adams County, Colorado, has jurisdiction over the parties and subject matter of this action.
2. The State's Counterclaims state claims against the Orion Parties pursuant to the Colorado Uniform Debt-Management Services Act (the "DMSA") and the Colorado Consumer Protection Act (the "CCPA").
3. Venue is proper in Adams County, Colorado.

II. ADMISSIONS

The Orion Parties admit the following:

4. By this action, the State seeks to enjoin the Orion Parties from providing debt-management services to Colorado residents in violation of the DMSA and the CCPA. Pursuant to these statutes, the State also seeks other appropriate relief, including consumer restitution, penalties, and costs and attorneys' fees.

Parties

5. John W. Suthers is the duly elected Attorney General of the State of Colorado. He is authorized under C.R.S. § 6-1-103 to enforce the CCPA by bringing civil actions against those that engage in deceptive trade practices. In such actions, the State may seek injunctive relief, consumer restitution, disgorgement, civil penalties, damages, and attorneys' fees and costs. See C.R.S. §§ 6-1-110, 6-1-112, and 6-1-113.

6. Laura E. Udis is the Administrator of the Uniform Consumer Credit Code. She is authorized under C.R.S. § 12-14.5-233 to enforce the DMSA by bringing civil actions against those that violate the act. In such actions, the Administrator may seek injunctive relief, consumer restitution, and attorneys' fees and costs. See C.R.S. § 12-14.5-233.

7. Orion is a Colorado corporation with its office and principal place of business located at 5005 West 81st Place, Suite 100, Westminster, Colorado 80030. Orion has provided "debt-management services" to Colorado residents under C.R.S. § 12-14.5-202(10).

8. Thompson is an individual residing at 12602 King Point, Broomfield, Colorado 80020.

Background

9. Orion brought this action against the State seeking a declaration that the State did not have the right to demand restitution and penalties for Orion to become registered under the DMSA. Orion later withdrew its claims against the State.

10. The State asserted Counterclaims against the Orion Parties alleging, among other things, that Orion was providing debt-management services to residents of Colorado in violation of the DMSA and the CCPA. In particular, the State alleges that Orion's business practices violated the following requirements of the DMSA and the CCPA: Orion is not registered to provide debt-management services to Colorado residents, in violation of C.R.S. § 12-14.5-204 of the DMSA and C.R.S. § 6-1-105(1)(z) of the CCPA; Orion's agreements do not contain the content mandated by C.R.S. § 12-14.5-219; Orion does not provide the proper notifications concerning cancellation rights, in violation of C.R.S. § 12-14.5-220; Orion imposes fees despite the fact that its agreements violate the DMSA, in violation of C.R.S. § 12-14.5-223; Orion does not provide consumers the cautionary disclosures and information as mandated by C.R.S. § 12-14.5-217; Orion takes powers of attorney that do not contain the requisite limitation on the provider's authority to settle a debt, in violation of C.R.S. § 12-14.5-228; and Orion's website does not disclose on the home page, or on a page that is clearly and conspicuously connected to the home page, the names of its principal officers, in violation of C.R.S. § 12-14.5-218(g)(3).

11. The State further alleges that Thompson caused Orion to violate the DMSA and the CCPA and therefore is liable for its violations pursuant to C.R.S. § 12-14.5-233 and C.R.S. § 6-1-112.

III. INJUNCTIVE RELIEF

12. The Orion Parties shall be permanently enjoined from providing, offering to provide, or agreeing to provide debt-management services (as defined in the DMSA) directly or indirectly through others to Colorado residents. This would include providing those services as a front-end or back-end agent for a registered debt-management services provider.

IV. MONETARY RELIEF

13. Pursuant to C.R.S. §§ 12-14.5-233 and 6-1-113, judgment shall be entered in the State's favor, and against the Orion Parties, in the amount of \$549,442, to be held by the Colorado Attorney General in trust for payment of restitution to Colorado consumers.

14. The Orion Parties have provided sworn financial statements to the State. In reliance on the information contained in those statements, the State agrees that \$479,442 of the \$549,492 judgment against the Orion Parties shall be suspended so long as they pay the sum of \$70,000 to the State in full, strict, and complete compliance with the following terms:

- (a) The Orion Parties shall pay \$46,000, in certified funds, no later than 14 days after the Consent Decree is entered by the Court.
- (b) The Orion Parties shall pay the remaining \$24,000 in 24 monthly installments of \$1,000. The first monthly installment of \$1,000 shall be paid on or before the first day of the month following the date the initial \$46,000 payment is due, and each successive installment shall be paid on or before the first day of each subsequent month.

All such payments shall be deemed paid upon the State's receipt of the payment, and only upon such receipt. All such payments shall be made payable to the "Administrator of the Uniform Consumer Credit Code" to be held along with any interest thereon in trust to be used at the sole discretion of the Administrator of the Uniform Consumer Credit Code for consumer restitution, to reimburse the State for its reasonable costs and attorneys' fees, and for future consumer credit education and enforcement actions. For all payments due before January 23, 2013, payments shall be delivered to Administrator, Uniform Consumer Credit Code, Office of the Attorney General, 1525 Sherman Street, 7th Floor, Denver, Colorado 80203. For payments due on or after January 23, 2013, payments shall be delivered to Administrator, Uniform Consumer Credit Code, Colorado Department of Law, Consumer Protection Section, Consumer Credit Unit, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, 6th Floor, Denver, Colorado 80203. In the event the Orion Parties fail to pay the \$70,000, or any payment thereof, when due, in full, strict, and complete compliance with the foregoing, upon the State's written notice to the Orion Parties of such failure, subject to a 5-day opportunity to cure, then, upon the State's notice to the Court of such failure, the suspension of the \$479,442 portion of the judgment shall be immediately vacated and judgment shall enter forthwith against the Orion Parties, and they hereby consent to such entry, for the full \$549,442 or portion thereof then remaining due and owing. Once the State has provided the Orion Parties with opportunities to cure on two occasions, the State may, but need not, provide additional opportunities to cure. At that point, any failure to make any payment, when due, in full, strict, and complete compliance with the foregoing, will cause judgment to enter for the full \$549,442 or portion thereof then remaining due and owing.

15. Due to the public interest nature of the State's claims in this matter, the Orion Parties hereby agree and stipulate that the monetary obligation imposed hereunder shall be considered a debt for a fine, penalty, or forfeiture, payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss.

16. In the event Orion or Thompson files a petition for bankruptcy within one hundred days of their payments to the State, and if the State must return any portion of the money it has collected pursuant to this Consent Decree to the bankruptcy estate, then a judgment shall enter against the Orion Parties for \$549,442 in favor of the State.

V. MISCELLANEOUS

17. The Orion Parties are entering into this Consent Decree for the purpose of compromising and resolving disputed claims and to avoid the expense of litigation. The Orion Parties' execution of this Consent Decree shall not be considered an admission by the Orion Parties of any allegations by the State, and nothing herein shall be construed as an admission of liability by the Orion Parties, such liability being specifically denied.

18. It is the intent and purpose of this Consent Decree to resolve fully and finally the issues between the State and the Orion Parties raised and alleged in this action and in Administrator, Uniform Consumer Credit Code v. Orion Financial Group, Inc. and Eric Thompson, Case No. CCC 2012-0004, an Initial Decision that was issued on November 2, 2012, and that is awaiting final agency action by the Administrator of the Uniform Consumer Credit Code. This Consent Decree constitutes a complete release of all claims on behalf of the State against the Orion Parties with respect to all claims, causes of action, damages, fines, costs, and penalties which were asserted or could have been asserted prior to this date under the DMSA or the CCPA and relating to or based upon the acts or practices which are the subject of this action. The State agrees that it shall not proceed with or institute any civil action or proceeding based upon the DMSA or the CCPA against the Orion Parties, for any act or practice prior to this date. Notwithstanding the foregoing, the State may institute an action or proceeding to enforce the terms and provisions of this Consent Decree or take action based on future conduct of the Orion Parties.

19. This Consent Decree shall in no way limit, constrain, abridge, abrogate, waive, release, or otherwise prejudice the right of any consumer to bring any private action under the law.

20. This Consent Decree shall not be modified except in a writing signed by the parties or their authorized representatives and approved and entered by the Court.

21. This Consent Decree shall be governed by Colorado law without regard to choice of law rules. As with the DMSA and the CCPA, it shall be liberally construed in the State's favor and strictly construed against the Orion Parties, who shall comply fully, completely, and strictly with all of its terms and provisions.

22. Any claims or causes of action arising out of or based upon this Consent Decree shall be commenced in the District Court for the County of Adams, Colorado, and the Orion Parties hereby consent to the jurisdiction, venue, and process of such Court. In the event of any such action or proceeding alleging or asserting a violation of or failure to comply with this Consent Decree, this Consent Decree shall be admissible in full.

23. This Court shall retain jurisdiction over this matter for the purpose of enabling any party to it to apply to the Court at any time for such further orders as may be necessary or

appropriate for the construction, execution, or enforcement of, or compliance with or punishment for violations of, this Consent Decree.

24. Except as otherwise provided herein, each party shall bear its own costs and attorneys' fees in connection with this matter and in connection with Administrator, Uniform Consumer Credit Code v. Orion Financial Group, Inc. and Eric Thompson, Case No. CCC 2012-0004.

25. The Orion Parties have had the opportunity to be represented by legal counsel and to consult with counsel for the State to negotiate a resolution of this matter. The Orion Parties knowingly and voluntarily enter into this Consent Decree and waive any right to a formal hearing on the matters forming the basis of this Consent Decree and any right to appeal herefrom.

26. This Consent Decree represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements, and is binding upon all officers, directors, employees, shareholders, managers, members, principals, heirs, agents, affiliates, successors, or assigns of the parties.

27. On the date this Consent Decree is signed by the Court, it shall be entered as and become a final judgment of the Court, and such date shall be the Effective Date of this Consent Decree for all purposes hereunder.

SO ORDERED, ADJUDGED, and DECREED this ____ day of _____, 2012.

BY THE COURT:

District Court Judge

BY CONSENT:

Defendants and Counter-Plaintiffs

State of Colorado ex rel. John W. Suthers,
Attorney General for the State of Colorado, and
Laura E. Udis, Administrator, Uniform
Consumer Credit Code

Dated: Dec. 4, 2012

By: s/ Laura E. Udis
LAURA E. UDIS

Its: Administrator

AGREED TO FORM:

Dated: 12/4/12

s/ Jeanine M. Anderson

JEANINE M. ANDERSON, 28206*
Senior Assistant Attorney General
Consumer Credit Unit
Consumer Protection Section
1525 Sherman Street, 7th Floor
Denver, CO 80203
*Counsel of Record

Plaintiff and Counter-Defendant

Orion Financial Group, Inc.

Dated: 12/3/2012

By: s/ Eric Thompson

Its: Secretary

Involuntary Plaintiff

Eric Thompson

Dated: 12/3/2012

By: s/ Eric Thompson
ERIC THOMPSON

AGREED TO FORM:

Dated: 12/3/12

s/ Steve Csajaghy
STEPHEN E. CSAJAGHY, ESQ.
Condit Csajaghy LLC
695 S. Colorado Boulevard, Suite 270
Denver, CO 80246
Counsel for Orion Financial Group, Inc. and
Eric Thompson

CERTIFICATE OF SERVICE

This is to certify that the within Consent Decree was duly served by E-Service upon all parties herein this 5th day of December, 2012, addressed as follows:

Stephen E. Csajaghy, Esq.
Condit Csajaghy, LLC
695 South Colorado Boulevard, Suite 270
Denver, CO 80246

s/ Michele A. Kendall
