

CA2602244/KRJ

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

In the Matter of Go More Financial, Inc.  
and Lee Goemer

**NOTICE OF REVOCATION,  
ORDER FOR REVOCATION,  
STATEMENT OF CHARGES, AND  
NOTICE OF RIGHT TO HEARING**

TO: Go More Financial, Inc.  
605 Highway 55 E, Ste C  
P.O. Box 270  
Buffalo, MN 55313

Lee Goemer  
3217 Aadland Avenue NE  
Buffalo, MN 55313

**NOTICE OF REVOCATION**

Respondents Go More Financial, Inc. ("GMF") and Lee Goemer ("Goemer") are hereby notified that the Minnesota Department of Commerce ("Department") has revoked GMF's collection agency license and Goemer's debt collector license based on the violations alleged below.

**ORDER FOR REVOCATION**

IT IS HEREBY ORDERED that, under Minn. Rule 2870.1900 (2005), GMF's collection agency license, No. 20104163, and Goemer's debt collector license, No. 20067196, are REVOKED.

**STATEMENT OF CHARGES**

**ALLEGATIONS**

1. On July 17, 1997, the Department issued GMF a collection agency license, No. 20104163. On September 2, 1999, the Department issued Goemer, GMF's president and owner, a debt collector license, No. 20067196.

2. GMF and Goemer (collectively "Respondents") have engaged in collecting activities in all 50 states.

3. In addition to Minnesota, GMF has been bonded and/or licensed in the following states: Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Maryland, Massachusetts, Michigan, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin, and Wyoming.

4. At all relevant times before June 19, 2006, Goemer maintained exclusive responsibility and authority over GMF's finances and accounting.

#### **Prior Administrative Actions**

5. On June 22, 1999, the Department required GMF to pay a \$1,000 civil penalty for commingling client funds with its operating funds.

6. On October 15, 2001, the Department required GMF to pay another \$1,000 civil penalty for allowing an unlicensed debt collector to contact a Minnesota debtor.

7. On November 14, 2005, the State of Wisconsin Department of Financial Institutions Division of Banking ("Wisconsin") ordered GMF to address its financial position and to provide Wisconsin with certain information and documentation. Specifically, after finding that GMF had negative net worth and negative working capital in July, August, and September 2005, Wisconsin ordered GMF to submit monthly financial data, including a balance sheet reflecting net equity of at least \$15,000 and net working capital of at least \$7,500.

#### **2006 Audit and Findings**

8. On May 23, 2006, the Department audited GMF's trust account bank statements and determined that at least one account was out of trust. The Department reviewed the on-site computer and observed several instances where the balance on QuickBooks Pro showed a negative balance. At that time, the Department secured additional bank statements for GMF's trust accounts and operating accounts.

9. Subsequent review of GMF's banks statements revealed numerous instances where the accounts were out of trust. Indeed, the Department determined that Goemer repeatedly transferred money between GMF's trust accounts to cover checks issued to creditors.

10. On or about June 19, 2006, Goemer executed a Consent Order on GMF's behalf that, among other provisions, (a) removed Goemer from all financial and accounting responsibilities, (b) required Respondents to hire a financial officer to exercise control over all aspects of GMF's financial operations, and (c) required the financial officer to prepare and provide an Audit Plan, along with Initial Audit Findings.

11. Charles Bolf, the acting financial officer, and Dan Stromquist, an independent CPA, examined GMF's operations and bank accounts during interviews and records review at GMF between June 19, 2006 and June 27, 2006. Bolf's audit report included the following findings:

- Extreme cash shortages may have been prevented with adequate capital, financial controls, and a business office.
- GMF was attempting to pay vendors and employees solely through operations cash flow.
- In desperation, Goemer frequently and improperly transferred trust account funds among GMF's four trust accounts and commingled trust account funds in GMF's general account in an attempt to remain current with creditors and employees.
- On May 31, 2006, GMF's trust funds were over-drafted by \$17,323.49.

- Goemer employed sloppy accounting techniques, including (a) not reconciling trust accounts until the end of the month, instead of each day, and (b) not reconciling the accounting system to keep abreast of the checks yet to clear the bank.
- GMF's improper transactions among the trust accounts and the general account were the result of Goemer's poor judgment, including his decision to manage all senior management financial decisions alone, resulting in GMF reacting in crisis mode without accounting expertise.

#### **Overdue Tax Liabilities**

12. On May 1, 2006, the Internal Revenue Service ("IRS") recorded a \$482,808 tax lien against GMF, for the tax periods between June 30, 2004 and December 31, 2005. To date, Respondents have not satisfied the IRS' tax lien.

13. GMF owes the Minnesota Department of Revenue ("MDR") \$30,582 in overdue withholding taxes and penalties. To date, Respondents have not satisfied GMF's liability to MDR.

14. GMF owes the Minnesota Department of Employment and Economic Development ("MDEED") \$6,818 in overdue unemployment taxes and penalties. To date, Respondents have not satisfied GMF's liability to MDEED.

#### **Falsifying Documents To Regulators**

15. On information and belief, in April 2006, Goemer transferred funds from GMF's trust accounts to GMF's operating account to inflate GMF's balance sheet, which was required to be filed with Wisconsin under the November 14, 2005 order.

16. On GMF's 2006 Annual Profit Corporation Report for the State of Wyoming, which was certified by Goemer on May 10, 2006, Respondents reported that GMF did not have any U.S. Government Obligations. This information was false in light of the IRS' \$482,808 tax lien recorded on May 1, 2006.

17. On GMF's Financial Statements dated March 31, 2006, prepared for filing with the States of Maine and Arizona, Respondents listed GMF's net equity at \$49,200. Once again, Respondents failed to reference the IRS' \$482,808 tax lien. In addition, Respondents failed to list the \$30,582 in overdue withholding taxes and penalties owed to MDR or the \$6,818 in overdue unemployment taxes and penalties owed to MDEED. If these tax liabilities were properly reported, GMF's net equity would have been a *negative* \$471,008.

18. On information and belief, Goemer routinely directed GMF staff to not disclose GMF's prior administrative actions on license applications and renewals filed with other states.

#### **Past Due Accounts Payable**

19. As of July 31, 2006, GMF's accounts payable totaled (not including its delinquent tax debt) more than \$119,381.

20. As of July 31, 2006, GMF was delinquent on at least thirty-three accounts payable, including the following:

- 1-30 days past due - \$12,528 on eleven accounts payable.
- 31-60 days past due - \$70,266 on twenty accounts payable.
- 61-90 days past due - \$22,956.31 on four accounts payable.
- over 90 days past due - \$1,672 for five accounts payable.

### **Violation of Consent Order**

21. As previously indicated, Goemer and GMF executed a Consent Order on June 19, 2006, which prohibited Goemer making any financial decisions at GMF.

22. On August 16, 2006, Goemer independently directed a GMF employee to withhold paying \$8,972.88 for employee taxes due for the August 15, 2006 payroll.

23. Goemer's unauthorized decision conflicted with Bolf's directive to pay the employee payroll taxes.

24. Moreover, because GMF did not have sufficient funds to pay the payroll taxes and to pay all GMF's employees, Bolf and Goemer had previously agreed that Goemer would hold his paycheck for a few days in order to pay the payroll taxes; however, after Goemer unilaterally decided to withhold the payroll tax payment, he cashed his own paycheck.

25. This Order is in the public interest.

### **VIOLATIONS**

#### **Count I**

Respondents commingled money collected for customers with GMF's operating funds and used customer's money in the conduct of GMF's business. Minn. Stat. §§ 45.027, subd. 7(a)(2), and 332.37(10) (2004), and Minn. Rule 2870.4000 (2005).

#### **Count II**

Respondents falsified GMF's records and filings with the intent to deceive governmental agencies. Minn. Stat. §§ 45.027, subd. 7(a)(2), and 332.37(20) (2004).

#### **Count III**

Respondents engaged in a pattern of financial mismanagement and misconduct that demonstrates they are untrustworthy, financially irresponsible, or otherwise incompetent or

unqualified to act under the licenses granted by the Commissioner. Minn. Stat. § 45.027, subd. 7(a)(4) (2004).

#### **Count IV**

Respondents violated the June 19, 2006 Consent Order on August 16, 2006, when Goemer implemented a financial decision in contradiction to the acting financial officer's directives in violation of Minn. Stat. § 45.027, subd. 7(a)(2) and (4) (2004).

#### **NOTICE OF RIGHT TO HEARING**

1. Respondents may apply for a hearing to contest the Order for Revocation before the Commissioner or an appointee. Any application for hearing to contest the Order for Revocation must be made within 30 days from receipt of the Notice of Revocation. If Respondents fail to apply for a hearing within 30 days, the Order for Revocation shall become permanent. Minn. Rule 2870.2000 (2005).

2. Any application for hearing must contain (a) the name and address of the applicant, (b) a statement of the nature of the determination requested, and (c) the attested signature of the applicant. Minn. Rule 2870.2100 (2005).

3. Upon timely submission of an application for hearing, the Department shall serve upon the applicant a Notice of Application within 5 days after receipt of the application for hearing. The Notice of Application shall be served by mail and contain (a) a general statement of the issues, (b) a statement of the rights of the parties, (c) notification of when and where the prehearing conference will occur, (d) a statement of the purpose of the prehearing conference, (e) signature of a person authorized to initiate the contested case, and (f) the date of issuance of the notice. Minn. Rule 2870.2200 (2005).


4. In the event that an application for hearing is submitted, the hearing will be held before an Administrative Law Judge at the Office of Administrative Hearings under the contested case procedures set out in Minnesota Statutes Chapters 14, 45, 332 (2004) and Minnesota Rules Chapters 1400 and 2870 (2005). A copy of these materials may be purchased from the Minnesota Book Store, telephone (651) 297-3000, or are available at [www.revisor.leg.state.mn.us](http://www.revisor.leg.state.mn.us). Copies of the rules are also available at [www.oah.state.mn.us](http://www.oah.state.mn.us). A publication entitled *A Guide to Participating in Contested Case Proceedings at the Office of Administrative Hearings* is available at [www.oah.state.mn.us](http://www.oah.state.mn.us) or by calling (612) 341-7600.

5. Any application for hearing must be sent to the Department of Commerce's attorney, Assistant Attorney General Christopher M. Kaisershot, 1200 Bremer Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2130, (651) 282-9992.

GLENN WILSON  
Commissioner

Dated: \_\_\_\_\_

8/29/06

  
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