STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE  

In the Matter of the Unregistered Credit  
Services of John C. Heath, Attorney at Law,  
PC d/b/a Lexington Law Firm  

Commissioner of Commerce Grace Arnold has determined as follows:  

The Commissioner commenced a regulatory action against Respondent John C. Heath,  
Attorney at Law, PC d/b/a Lexington Law Firm by serving it with a notice and order for prehearing  
conference on May 1, 2020. The notice and order for prehearing alleged that Lexington:  

a. Offered, advertised, executed or caused to be executed by consumers contracts for  
credit services without being registered as a credit services organization with the  
Commissioner, in violation of Minn. Stat. § 332.54, subd. 1 (2020);  

b. Charged or received any money or other valuable consideration prior to the full and  
complete performance of the credit services it agreed to perform for its customers, in  
vilolation of Minn. Stat. 332.56, subd. 1(1) (2020);  

c. Made statements with respect to its customers’ credit worthiness, credit standing, or  
credit capacity that were untrue, or misleading or that should be known by the exercise  
of reasonable care to be untrue or misleading, to credit reporting agencies or to any  
person who has extended credit to a customer or to whom a customer is applying for  
an extension of credit, in violation of Minn. Stat. § 332.56, subd. 1(3) (2020); and  

d. Failed to comply with requests for information, documents, or other requests from the  
Department within the time specified in the request, or, if no time is specified, within
30 days of the mailing of the request by the Department, in violation of Minn. Stat. § 45.027, subd. 1a (2020).

Lexington acknowledges that it was advised of its right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Lexington expressly waives those rights. Lexington further acknowledges that it was advised of its right to be represented by legal counsel and that it was represented throughout this administrative proceeding.

The following order is in the public interest.

Now, therefore, it is ordered, pursuant to Minn. Stat. chs. 45 and 332, as follows:

1. To avoid further violations of Minn. Stat. ch. 332, Lexington shall (a) submit an application for a credit-services registration to the Commissioner within sixty days of the effective date of this order; or (b) cease and desist any activities under Minn. Stat. ch. 332.

2. Lexington shall cease and desist from charging or receiving any money or other valuable consideration from Minnesota consumers prior to full and complete performance of the services it has agreed to perform for those consumers.

3. Lexington shall include in its contracts with Minnesota consumers the terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to some other person. If Lexington and a Minnesota consumer agree to have the contract renew automatically, then for each contract renewal period Lexington shall inform the consumer of that contract renewal period’s terms and conditions of payment, including the total of all payments to be made by the buyer that period.
4. Lexington shall include in its contracts with Minnesota consumers a full and detailed description of the services to be performed by the credit services organization for the buyer, including all guarantees and all promises of full or partial refunds, and the estimated date by which the services are to be performed or the estimated length of time for performing the services. If Lexington and a Minnesota consumer agree to have the contract renew automatically, then for each renewal period Lexington shall provide the consumer with an updated, full, and detailed description of the services to be performed during that renewal period. To the extent such description is contained in Lexington’s client portal, Lexington shall expressly incorporate by reference that description into its contracts with Minnesota consumers.

5. Lexington shall include in its contracts with Minnesota consumers a statement of the percentage of its customers for whom it has fully and completely performed the services Lexington agreed to perform for the buyer with respect to the previous calendar year.

6. Lexington shall comply with all laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner under Minn. Stat. ch. 332.

7. Lexington shall pay a civil penalty of $150,000 to the State of Minnesota. The Commissioner has stayed $100,000 of this penalty. Lexington shall pay $50,000 at the time this consent order is signed. The stayed portion of the civil penalty may be lifted if Lexington violates this consent order. If the Commissioner determines that Lexington has violated the consent order, the Commissioner will provide notice of that violation to Lexington. If Lexington does not resolve the violation(s) the stay shall be lifted and the stayed portion of the penalty shall become effective in addition to any additional administrative action the Commissioner deems appropriate for the new violation(s). If the Commissioner seeks to lift the stay, Lexington may request a hearing to challenge the factual basis for lifting the stay, but may not challenge the amount of the stayed
penalty. If the stay has not been lifted by three years from the effective date of this consent order, the stayed portion of the civil penalty will be automatically vacated. Lexington is hereby notified that pursuant to Minn. Stat. 16D.13, subd. 1 (2020), interest computed in accordance with that section will begin to accrue on any unpaid amount due under this order thirty days after that amount becomes due. Lexington is further notified that thirty days after such amounts become due, the Commissioner may file and enforce the penalty as a judgment without further notice or additional proceedings, provided Lexington has exhausted or had the opportunity to exhaust all available administrative and judicial remedies with respect to the enforcement of such penalty.

This consent order shall be effective upon signature on behalf of the Commissioner.

Dated: 09/07/2021

GRACE ARNOLD
Commissioner

MATTHEW VATTER
Assistant Commissioner of Enforcement

Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600
CONSENT TO ENTRY OF ORDER

The undersigned states that he or she has read the foregoing consent order, that he or she fully understands its contents and effect, that he or she is authorized to execute this consent order on behalf of John C. Heath, Attorney at Law, PC d/b/a Lexington Law Firm, that he or she has been advised of its right to a hearing, that he or she has been advised of its right to counsel, and that he or she consents to entry of this order by the Commissioner. It is further expressly understood that this order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

John C. Heath, Attorney at Law, PC d/b/a
Lexington Law Firm

By: ___________________________

Its: ___________________________

STATE OF ______________________

COUNTY OF ____________________

This instrument was acknowledged before me on __________________, 2021, by __________________, on behalf of John C. Heath, Attorney at Law, PC d/b/a Lexington Law Firm.

______________________________
(Signature of notary officer)

(Title)