

2. The Bureau is primarily responsible for administering and enforcing the DMSA for the Department.
3. The DMSA was enacted on October 9, 2008 and became effective on February 6, 2009.
4. The DMSA applies to, in relevant part, “[a]ny debt management services agreement . . . which is . . . notwithstanding the place of execution, entered into with a resident of this Commonwealth.” 63 P.S. § 2448(1)(iii).
5. Debt management services is “[t]he service of receiving funds periodically from a consumer and then distributing those funds to creditors of the consumer in partial or full payment of the consumer’s personal debts.” 63 P.S. § 2402.
6. To provide debt management services in the Commonwealth, a person must be licensed by the Department.
7. Specifically, Section 3(a) of the DMSA provides that “[n]o person may advertise, solicit, state or represent that it can offer, obtain or procure debt management services to or for a consumer or provide debt management services to a consumer unless the person is licensed by the department under this act.” 63 P.S. § 2403(a).

UNLICENSED ACTIVITY

8. LSS Financial is a non-profit corporation that provides debt management services to individuals.
9. LSS Financial is located at 2485 Como Avenue Saint Paul, MN 55108-1445.
10. On May 25, 2010, LSS Financial filed an application for a debt management services license with the Department.

11. In its application, LSS Financial disclosed to the Department that it had entered into debt management service agreements with 10 Pennsylvania residents from April 2009 through December 2010.

12. By entering into debt management service agreements with Pennsylvania residents, without being licensed by the Department, LSS Financial violated Section 2403(a) of the DMSA. 63 P.S. § 2403(a).

13. When the Bureau advised LLS Financial of the violation, LLS Financial agreed not to enter into any additional debt management service agreements with Pennsylvania residents until it obtained a license by the Department.

14. The Department has the authority to issue "orders to ensure the proper administration or enforcement" of DMSA. 63 P.S. § 2417(4).

15. The Department "may impose a civil penalty up to \$10,000 for each violation of this act." 63 P.S. § 2416(a).

RELIEF

16. Fine. LSS Financial shall pay a fine in the amount of \$1,000 to the Department. The fine shall be due and payable to the Department within 30 days of the effective date of this Order (as defined in Paragraph 23 of this Order). The fine payment shall be remitted by certified check or money order made payable to the "Department of Banking" and delivered (via mail or in person) to the Compliance Division of the Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg PA 17101.

17. Corrective Measures. LSS Financial shall cease and desist from entering into debt management service agreements with Pennsylvania residents until properly licensed by the Department.

FURTHER PROVISIONS

18. Consent. LSS Financial hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the DMSA and agrees that it understands all of the terms and conditions contained herein. LSS Financial, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.
19. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. 71 P.S. § 733-302.A.(5).
20. Entire Agreement. This Order contains the whole agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and LSS Financial.
21. Binding Nature. The Department, LSS Financial, and all officers, owners, directors, employees, heirs and assigns of LSS Financial intend to be and are legally bound by the terms of this Order.
22. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.
23. Effectiveness. LSS Financial hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.
24. Other Enforcement Action.
 - a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against LSS Financial in the future regarding all matters not resolved by this Order.

b. LSS Financial acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

25. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

26. Counterparts. This Order may be executed in separate counterparts and by facsimile and email.

27. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and LSS Financial, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE, INVESTIGATION AND LICENSING**

Robert E. Knaub, Enforcement Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: 8/20/10

**FOR LUTHERAN SOCIAL SERVICES OF MINNESOTA D/B/A LSS FINANCIAL
COUNSELING SERVICE**

(Officer Signature)

(Printed Officer Name)

VP Family Services
(Title)

Date: 8/18/10