

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

FILED

2010 SEP 10 AM 11:16

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING, BUREAU  
OF COMPLIANCE, INVESTIGATION AND  
LICENSING

PA DEPT OF BANKING

v.

: Docket No. 10 0212 (ENF-CO)

LIGHTHOUSE CREDIT  
FOUNDATION, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking, ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau"), has reviewed the license application submitted by Lighthouse Credit Foundation, Inc. ("Lighthouse Credit") to provide debt management services in the Commonwealth to Pennsylvania residents. Based on its review of the license application, the Bureau found that Lighthouse Credit operated in violation of the Debt Management Services Act ("DMSA"), Act of October 9, 2008, P.L. 1421, No. 117, 63 P.S. § 2401, *et seq.* The parties to the above-captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order ("Order").

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the DMSA.

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. Lighthouse Credit is a non-profit corporation that provides debt management services to individuals.
9. Lighthouse Credit is located at 2300 Tall Pines Drive, Suite 120, Largo, FL 33771.
10. On June 16, 2010, Lighthouse Credit filed an application for a debt management services license with the Department.

11. In its application, Lighthouse Credit disclosed to the Department that it had entered into debt management service agreements with 13 Pennsylvania residents from March 2009 through March 2010.

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

13. When the Bureau advised Lighthouse of the violation, Lighthouse 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. Lighthouse shall pay a fine in the amount of \$1,300 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. Lighthouse Credit shall cease and desist from entering into debt management service agreements with Pennsylvania residents until properly licensed by the Department.

## FURTHER PROVISIONS

18. Consent. Lighthouse Credit 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. Lighthouse Credit, 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 Lighthouse Credit.

21. Binding Nature. The Department, Lighthouse Credit, and all officers, owners, directors, employees, heirs and assigns of Lighthouse Credit 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. Lighthouse Credit 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 Lighthouse Credit in the future regarding all matters not resolved by this Order.

b. Lighthouse Credit 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 Lighthouse Credit, 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: 9/9/10

**FOR LIGHTHOUSE CREDIT FOUNDATION, INC.**

\_\_\_\_\_  
(Officer ~~Signature~~)

\_\_\_\_\_  
(Printed Officer Name)

President  
(Title)

Date: 9/8/10