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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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

Docket No. 11 0161 (ENF-CO)

v.

SPRINGBOARD NONPROFIT CONSUMER  
CREDIT MANAGEMENT, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking, ("Department"), Bureau of Compliance and Licensing ("Bureau"), has reviewed the license application submitted by Springboard Nonprofit Consumer Credit Management, Inc., ("Springboard") to provide debt management services in the Commonwealth to Pennsylvania residents. Based on its review of the license application, the Bureau alleges that Springboard operated in violation of the Debt Management Services Act ("DMSA") of October 9, 2008, P.L. 1421, No. 117, 63 P.S. § 2401, *et. seq.* Springboard enters into this Consent Agreement and Order ("Order") to resolve this matter without litigation, but without admitting guilt or wrongdoing. 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 Order.

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the DMSA. The Bureau is primarily responsible for administering and enforcing the DMSA for the Department.

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2. The DMSA was enacted on October 9, 2008 and became effective on February 6, 2009.

3. Springboard is a non-profit corporation that provides debt management services to individuals.

4. Springboard is located at 4351 Latham Street, Riverside, California 92501.

Factual Allegations

5. On March 15, 2011, Springboard filed an application for a debt management services license with the Department.

6. In that application, Springboard disclosed to the Department that it had entered into debt management service agreements with 21 Pennsylvania residents during the time period of March 24, 2009 through August 2010 when it was unlicensed.

7. 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).

8. 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).

9. It is the position of the Bureau that by entering into debt management service agreements with Pennsylvania residents after the effective date of the DMSA, but before being licensed by the Department, Springboard violated Section 2403(a) of the DMSA. 63 P.S. § 2403(a).

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Springboard's Response

10. Springboard states that it filed an application for a license to engage in the debt management services business in Pennsylvania of its own volition upon learning of the license requirement.

11. Springboard further states that it voluntarily disclosed to the Department that it had entered into debt management service agreements with Pennsylvania residents at the time of its application for a license.

12. Springboard voluntarily refunded the fees it had charged to such Pennsylvania consumers and cooperated fully with the Department.

13. Springboard voluntarily agreed not to enter into any additional contracts for debt management service agreements with Pennsylvania residents until it obtained a license by the Department.

14. Springboard does not admit or deny the foregoing conclusions of the Bureau, and entering into this Order is not an admission of any such allegations of wrongdoing or violation of law, fault or liability.

15. Nonetheless, in the interest of resolving the issues, Springboard agrees to the terms of the Order in lieu of litigating an administrative enforcement action or any other state administrative or civil action that may otherwise occur.

16. By entering into this Order, Springboard does not intend to confer upon any person any rights or remedies, nor create any third-party beneficiaries, or any rights of enforcement in any person other than the Department as set forth herein. Springboard and the Bureau agree that this Order constitutes a complete settlement by the Department of all claims

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asserted or that could have been asserted against Springboard based on Springboard's debt management services licensing status prior to the execution of this Order.

Authority of the Department

17. The Department has the authority to issue "orders to ensure the proper administration or enforcement" of DMSA, 63 P.S. § 2417(4). The Department "may impose a civil penalty up to \$10,000 for each violation of this act." 63 P.S. § 2416(a).

**RELIEF**

18. Fine. Springboard shall pay a fine in the amount of \$2,100.00 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 25 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 Licensing Division of the Bureau of Compliance and Licensing, 17 N. Second Street, Suite 1300, Harrisburg PA 17101.

19. Corrective Measures. Springboard shall cease and desist from entering into debt management service agreements with Pennsylvania residents until properly licensed by the Department. Nothing in this Agreement shall be construed as indicating that Springboard's debt management license application was denied by the Department or shall prevent the granting of such licensure.

**FURTHER PROVISIONS**

20. Consent. Springboard 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. Springboard, by

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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.

21. 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).

22. 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 Springboard.

23. Binding Nature. The Department, Springboard, and all officers, owners, directors, employees, heirs and assigns of Springboard intend to be and are legally bound by the terms of this Order.

24. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

25. Effectiveness. Springboard hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

26. 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 Springboard in the future regarding all matters not resolved by this Order.

b. Springboard 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.

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

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

29. 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 Springboard, intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

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

Date: 10/12/11

FOR SPRINGBOARD NONPROFIT CONSUMER  
CREDIT MANAGEMENT, INC.

\_\_\_\_\_  
(Officer/Signature)

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

CEO  
\_\_\_\_\_  
(Title)

Date: 10/11/11  
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