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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

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

v.

FINANCIAL HELP SERVICES

Docket No. 140010 (BNK-C&D)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Compliance and Licensing ("Bureau"),¹ has reviewed the business practices of Financial Help Services ("FHS") and its officers, employees and directors. Based on the results of its review, the Bureau found that FHS violated the act known as the Debt Management Services Act, 63 P.S. § 2401, *et seq.* ("DMSA"). The purpose of this Consent Agreement and Order ("Order") is to resolve the March 21, 2014 cease and desist order issued by the Bureau and the April 2, 2014 petition to appeal the cease and desist filed by FHS. The parties to the above-captioned matter, in lieu of litigation and for purposes of settlement, hereby stipulate that the following statements are true and correct, 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.

¹ Following the commencement of this action, the Department reorganized its Non-depository operations, removing the Bureau of Compliance and Licensing and replacing it with the Compliance Office and the Licensing Office. The Compliance Office is the entity which initiated this action, and will be referred to as the Bureau for purposes of this Order.

2. The Bureau is primarily responsible for administering and enforcing the DMSA.
3. FHS is a non-profit corporation located at 6400 N. Andrews Avenue, Suite 530, Ft. Lauderdale, FL 33309.
4. In or around September of 2013, FHS took over the debt management accounts of a debt management service company which was going out of business.
5. The debt management company had a portfolio of clients located throughout the United States and were licensed in several other states, including Pennsylvania.
6. FHS informed the Department that it was not aware of the Pennsylvania client base until after the takeover was complete.
7. FHS was not licensed in Pennsylvania to conduct debt management services at the time it took over the accounts from the licensed company.
8. Since taking over the licensed company's debt management accounts, FHS has provided debt management services to those Pennsylvania consumers, including periodically receiving fund from consumers and distributing those funds to creditors of the consumers in full or partial payment of the consumers' personal debts.
9. In November of 2013, the Department contacted FHS concerning licensure in Pennsylvania.
10. FHS submitted a debt management service license application which the Department received on March 25, 2014.
11. On March 21, 2014, the Department issued a cease and desist order because FHS had failed to submit a license application.
12. FHS requested and was granted a two-day extension to file an appeal.

13. On April 2, 2014, FHS filed an appeal of the Department's March 21, 2014 cease and desist order.

14. As of the date of this Order, additional documents were needed from FHS for the licensing application.

15. This Order resolves the March 21, 2014 cease and desist order and April 2, 2014 FHS petition to appeal the cease and desist order.

VIOLATIONS

16. Section 3(a) of the DMSA states that "[n]o person may . . . provide debt management services to a consumer unless the person is licensed by the [D]epartment," 63 P.S. § 2403(a).

17. Debt management services are defined as "[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.

18. FHS provided debt management services, including periodically receiving and distributing Pennsylvania consumers' funds in full or partial payment of the consumers' personal debts, without a license.

AUTHORITY

19. The Department has broad authority to issue orders as necessary or appropriate for the enforcement of the DMSA. *See* 63 P.S. § 2417(4).

RELIEF

20. Corrective Action. Upon the Effective Date of this Order, FHS shall withdraw its application for a debt management services application filed with the Department.

In addition, FHS will transfer the accounts of Pennsylvania consumers to a debt management services company licensed in Pennsylvania within sixty (60) days of the date of the withdrawal request sent by FHS. FHS will provide the Department with a list of the Pennsylvania consumers, including name, address and phone number, with whom it still has active accounts along with the name and contact information of the licensed debt management company to which it transferred the Pennsylvania consumers' accounts.

FURTHER PROVISIONS

21. Consent. FHS hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MLA and agrees that it understands all of the terms and conditions contained therein. FHS, 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.

22. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code. *See* 71 P.S. § 733-302.A.(5).

23. 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 FHS.

24. Binding Nature. The Department and FHS intend to be and are legally bound by the terms of this Order.

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

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

27. 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 FHS, in the future regarding all matters not resolved by this Order.

b. FHS 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.

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

29. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "PDF."

30. 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 Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Compliance and Licensing and Financial Help Services intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

FINANCIAL HELP SERVICES

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Redacted

James Keiser, Administrator
Bureau of Compliance and Licensing
Department of Banking and Securities

(Officer Signature)

Bobby Blackman

(Print Officer Name)

Date: March 18, 2015

President

(Title)

Date: 3/18/15