

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2016 AUG 29 AM 10: 09

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

Docket No. 16 0048 (BNK-CAO)

v.

THE NATIONAL ADVOCACY GROUP

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (the "Department") Compliance Office, has reviewed the business practices of The National Advocacy Group, and its officers, employees and directors. Based on the results of the review, the Compliance Office believes that The National Advocacy Group operated in violation of the Debt Settlement Services Act (the "DSSA"), 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 (the "Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the DSSA.
2. The Compliance Office is primarily responsible for administering and enforcing the DSSA:

3. The National Advocacy Group is a debt settlement lead generator, i.e., it obtains the names and contact information of consumers interested in obtaining debt settlement services and forwards this information to companies which provide debt settlement services.

4. The consumers' contact information which a lead generator supplies to another party is generally referred to as "leads".

5. The National Advocacy Group solicits potentially interested consumers by mail.

6. The National Advocacy Group is not licensed as a debt settlement service provider under the DSSA.

7. The Compliance Office received a copy of a solicitation which The National Advocacy Group sent to a Pennsylvania resident (the "solicitation").

The Solicitation

8. The solicitation did not contain The National Advocacy Group's name although the return envelope which accompanied the solicitation did contain the name.

9. Instead of showing The National Advocacy Group's name, the solicitation featured a logo with name "Department of Housing and Urban Renewal" and a date of "1961".

10. The logo also features a stylized eagle and a ring of stars.

11. The solicitation also shows a Washington D.C. address and a telephone number with a Washington D.C. area code.

12. The Department alleges that the above features are misleading and designed to make it appear that The National Advocacy Group is a government agency when, in fact, it is not.

13. The solicitation states that The National Advocacy Group will send information which "could lower your credit card rates as low as 0% and reduce your monthly payments by as much as 50%."

14. The lowering of credit card rates to 0% and the reduction of monthly payments are characteristics of a debt settlement services plan.

15. The solicitation states that "You will receive important information on how to lower your credit card interest rates at NO COST and NO FEES to you."

16. In fact, by entering into a debt settlement services plan, a consumer will incur costs and fees.

17. The wording in the solicitation as described above is misleading in that it is designed to make a consumer believe they will not incur costs and fees to have credit card interest rates lowered and payments reduced when, in fact, the consumer will incur costs and fees.

18. Section 102 of the DSSA defines "provider" as "A person that provides, markets, solicits, offers to provide or agrees to provide debt settlement services."

19. Because it was marketing and soliciting debt settlement services, The National Advocacy Group is a provider as defined by the DSSA.

20. Section 301(a) of the DSSA states, in pertinent part, "a provider may not market, solicit, offer to provide or provide debt settlement services for a fee or other consideration to an individual who resides in this Commonwealth at the time it agrees to provide the services, unless the provider is licensed under this act."

21. The National Advocacy Group was compensated by the debt settlement companies to which it supplied consumer leads.

VIOLATION

22. By marketing and soliciting debt settlement services for compensation when it was not licensed to do so, The National Advocacy Group is in violation of Section 301(a) of the DSSA.

AUTHORITY OF THE DEPARTMENT

23. Section 701(4) of the DSSA authorizes the Department to promulgate orders as may be necessary to ensure the proper administration and enforcement of the DSSA.

24. Section 704(a) of the DSSA authorizes the Department to impose a civil penalty of up to \$10,000 for each violation of the DSSA.

RELIEF

25. Fine. Within thirty (30) days of the Effective Date of this Order, The National Advocacy Group will pay to the Department a fine in the amount of \$2,000.

26. Corrective Measures. The National Advocacy Group will cease and desist from soliciting Pennsylvania residents for debt settlement services and marketing such services to Pennsylvania residents until and unless The National Advocacy Group is licensed under the DSSA to do so. If the National Advocacy Group obtains proper licensure in Pennsylvania, The National Advocacy Group shall not engage in deceptive or misleading advertising or other solicitation that infers affiliation or endorsement by a government agency.

FURTHER PROVISIONS

27. Consent. The National Advocacy Group hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the DSSA and agrees that it understands all of the terms and conditions contained herein. The National Advocacy Group, 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.

28. Publication and Release. The National Advocacy Group consents to the publication and release of this Order.

29. 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 Compliance Office and The National Advocacy Group.

30. Binding Nature. The Compliance Office, The National Advocacy Group, and all officers, owners, directors, employees, heirs and assigns of The National Advocacy Group intend to be and are legally bound by the terms of this Order.

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

32. Effectiveness. The National Advocacy Group hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

33. 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 The National Advocacy Group in the future regarding all matters not resolved by this Order.

b. The National Advocacy Group 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.

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

35. Counterparts. This Order may be executed in separate counterparts and by facsimile and by PDF.

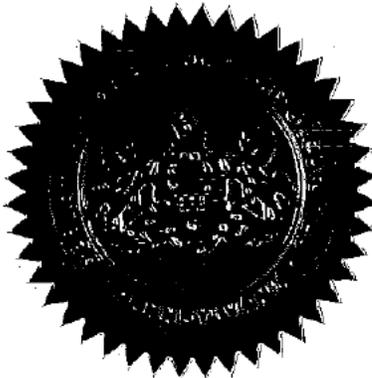
36. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Compliance Office and The National Advocacy Group, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
COMPLIANCE OFFICE**

Redacted _____
James Keiser, Administrator
Department of Banking and Securities
Compliance Office

Date: August 29, 2016



FOR THE NATIONAL ADVOCACY GROUP

Redacted _____
(Officer Name)

PRESIDENT
(Title)

Date: 8-12-16