

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

FILED

2018 SEP 26 PM 2: 54

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, COMPLIANCE OFFICE :

v. :

DOCKET NO. 18 0067 (BNK-CAO)

DEBT FREE COMPANY :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office (“Office”), has reviewed the business practices of Debt Free Company (“Debt Free”), and its officers, employees and directors. Based on the results of its review, together with certain disclosures Debt Free has made to the Department, the Office believes that Debt Free operated in violation of the Debt Settlement Services Act, (“DSSA”), 63 P.S. § 2501 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 DSSA.

2. The Office is primarily responsible for administering and enforcing the DSSA for the Department.

3. Debt Free’s principal place of business is located at 30 N Gould St Ste 6985 Sheridan, WY 82801.

Unlicensed Period

4. The DSSA became effective on January 1, 2015.

5. The DSSA requires anyone marketing, soliciting, offering to provide or providing debt settlement services for a fee or other consideration to an individual residing in Pennsylvania at the time of the agreement to be licensed 63 P.S. § 2521

6. Debt Free is not, and never has been licensed under the DSSA

7. Debt Free has been providing debt settlement services to Pennsylvania consumers since January 2018

8. Debt Free had ceased accepting new clients when it learned of the licensing requirements but has continued to serve its existing clients.

#### Authority of the Department

9. The DSSA grants the Department the authority to issue orders as may be necessary for enforcement. 63 P.S. § 2571.

10. The Department may “impose a civil penalty of up to \$10,000 for each violation of this act.” 63 P.S. § 2574

#### **VIOLATION**

11. Debt Free violated the DSSA when it engaged in the business of a debt settlement services company while unlicensed. 63 P.S. § 2521

#### **RELIEF**

12. Fine. Debt Free agrees to pay a fine of four thousand three hundred seventy-five dollars (\$4,375) due within thirty (30) days after the Effective Date of the Order as defined in paragraph 21 below. The fine payment shall be remitted by certified check or money order made payable to the “Department of Banking and Securities” and sent to the attention of: Department of Banking and Securities, Compliance Office, 17 N. 2<sup>nd</sup> Street, Suite 1300, Harrisburg, PA 17101-2290.

13. Corrective Action. Upon the Effective Date of this Order, Debt Free shall not engage in the business of a debt settlement services company in Pennsylvania unless it is licensed.

14. Debt Free shall refund all fees and considerations to all Pennsylvania clients within 30 days of the Effective Date of this Order. For all clients currently enrolled in Debt Free’s program, all fees shall be

returned to the custodial accounts and applied to pay off debts with their creditors Debt Free shall provide to the Department confirmation that all fees have been refunded to Pennsylvania clients and all open accounts have been closed

### **FURTHER PROVISIONS**

15. Consent. Debt Free hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the DSSA and agrees that it understands all of the terms and conditions contained herein Debt Free, 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.

16 Consumer's Rights. The Order shall not limit or impair a consumer's rights under the DSSA

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

18. 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 kinds whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Office and Debt Free.

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

20. Counsel. This Order is subject to review by the Department's Legal Division. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel

21. Effectiveness. Debt Free hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket and executes this Order ("Effective Date").

22 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 Debt Free in the future regarding all matters not resolved by this Order.

b Debt Free 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.

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

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

25. 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 of Banking and Securities, Compliance Office and Debt Free Company 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

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Jaffes Keiser, Chief  
Compliance Office  
Department of Banking and Securities

Date: September 24, 2018

**FOR DEBT FREE COMPANY**

Redacted

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

Nirmal Mann  
(Print Officer Name)

Managing Member  
(Title)

Date: 09/24/18

