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PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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

v.

DOCKET NO. 18 oda (BNK-CAO)

FEDERAL CREDIT RESTORATION :

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 Federal Credit Restoration (“FCR”), and its officers, employees and directors. Based on the results of its review, together with certain disclosures FCR has made to the Department, the Office believes that FCR 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. FCR’s principal place of business is located at 161 Polo Drive North Wales, PA 19454.

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. FCR is not, and never has been, licensed under the DSSA.

7. FCR has been providing debt settlement services to Pennsylvania consumers since December, 2017.

8. FCR 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(4).

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

#### **RELIEF**

12. Fine. FCR agrees to pay a fine of five thousand six hundred twenty-five dollars (\$5,625) in nine monthly payments of \$625 with the first payment due within thirty (30) days of the Effective Date of the Order as defined in paragraph 23. The fine payments 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, FCR shall not perform debt settlement services for a fee in Pennsylvania unless it is licensed.

14. FCR shall divest itself of its clients within 30 days of the Effective Date of this Order.

15. FCR shall refund all fees and considerations to all Pennsylvania clients within 30 days of the Effective Date of this Order. FCR shall provide to the Department confirmation all fees have been refunded to Pennsylvania clients.

#### **FURTHER PROVISIONS**

16. Consent. FCR 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. FCR, 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.

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

18. 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).

19. 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 FCR.

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

21. 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.

22. Effectiveness. FCR 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").

23. 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 FCR in the future regarding all matters not resolved by this Order.

b. FCR 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.

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

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

26. 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.

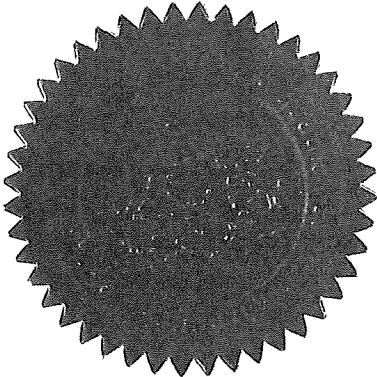
**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Department of Banking and Securities, Compliance Office, and Federal Credit Restoration intending to be legally bound do hereby execute this Consent Agreement and Order.

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

Redacted

James Keiser, Chief  
Compliance Office  
Department of Banking and Securities

Date: October 3, 2018



**FOR FEDERAL CREDIT RESTORATION**

Redacted

(Officer Signature)

THOMAS TAYLOR  
(Print Officer Name)

OWNER  
(Title)

Date: 10/11/2018