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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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BANKING AND SECURITIES

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

v.

DOCKET NO. 19 0021 (BNK-CAO)

NATIONWIDE DEBT DIRECT, LLC

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 Nationwide Debt Direct (“NDD”). Based on the results of its review, together with certain disclosures NDD has made to the Department, the Office believes that NDD operated in violation of the Debt Settlement Services Act, (“DSSA”), 63 P.S. § 2501 *et seq.* Based on that information, the Office filed a Cease and Desist Order against NDD on March 29, 2019, in the above-captioned matter (“C&D Order”). The parties now seek to amicably resolve the pending litigation to save the time and resources that continued litigation would require. Accordingly, the parties to the above captioned matter stipulate that the following statements are true and correct in the settlement of the above-captioned matter, and intending to be legally bound, 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. NDD’s principal place of business is located at 6200 Tennyson Pkwy, Suite 180, Plano, TX 75024.

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

7. NDD has been providing debt settlement services to Pennsylvania consumers while not licensed to do so.

8. NDD ceased accepting new clients when it learned of the licensing requirements.

#### 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(a).

11. The Department has the authority to “[o]rder a person . . . to make restitution for actual damages to consumers caused by a violation of this act or to refund fees collected in violation of this act” 63 P.S. § 2571(6).

#### **VIOLATION**

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

#### **RELIEF**

13. Civil Penalty NDD agrees to pay a civil penalty of \$69,250 in twelve (12) monthly installments. NDD will pay at least \$5,770.83 in each of the first eight (8) installments, and \$5,770.84 in each of the final four (4) installments. The first payment is due within thirty (30) days of the Effective Date of the Order. The fine payment shall be made by ACH or wire transfer, or if ACH or wire transfer is unavailable by certified check, cashier’s check, teller’s check or money order made payable to the “Department of Banking and Securities” and shall be mailed, or delivered in person to the attention of Department of

Banking and Securities, Compliance Office, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101-2290.

14. Corrective Action. Upon the Effective Date of this Order, NDD shall not perform debt settlement services for a fee in Pennsylvania unless it is licensed to do so.

15. NDD may continue to service its Pennsylvania clients under a debt settlement program as long as the company does not charge any fees for doing so

16. Restitution NDD shall refund all fees and considerations in the amount of \$350,240.47 to all Pennsylvania clients in twelve (12) monthly installments with the first installment being made within thirty (30) days of the Effective Date of this Order NDD will refund all fees and considerations in substantially equal monthly installments. The refunds will be made in accordance with the spreadsheet (NDD Restitution Attachment 1) that the Department provided NDD and made part of this agreement consistent with the fees collected from each Pennsylvania consumer. This applies to all Pennsylvania debt settlement agreements entered into by NDD with Pennsylvania clients on or after January 1, 2015 The refunds may be accomplished by crediting the refunds to the clients' settlement accounts NDD shall provide to the Department confirmation of fees refunded every month until all fees have been refunded to Pennsylvania clients

#### **FURTHER PROVISIONS**

17 Consent NDD 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. NDD, 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.

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

19. 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).

20 Cease and Desist Order. Upon signing of this Order by the Office, and payment in full of the civil penalty and restitution as set forth above, the Office shall discontinue the C&D Order.

21. Entire Agreement. This Order contains the whole agreement between the Office and NDD. 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 NDD.

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

23. 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 advice from legal counsel.

24. Effectiveness. The Office and NDD agrees that the Order shall become effective on the date that the Department's Legal Division docket it ("Effective Date").

25. 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 NDD in the future regarding all matters not resolved by this Order
- b. NDD acknowledges and agrees that, in addition to itself, this Order is binding only upon the Department and the Office, not any other local, state or federal agency, department or office regarding matters within this Order.

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

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

28. 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, the Department of Banking and Securities, Compliance Office, and Nationwide Debt Direct, LLC, 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: May 8, 2019

FOR NATIONWIDE DEBT DIRECT, LLC

Redacted

(Officer Signature)

Peter Jacoves  
(Print Officer Name)

CEO  
(Title)

Date. 05/01/2019

