

Received & Docketed
6-16-2020
4

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

v. :

DOCKET NO. 200008 (BNK-CAO)

ALLEVIATE FINANCIAL :
SOLUTIONS, 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 Alleviate Financial Solutions, LLC (“AFS”) Based on the results of its review, together with certain voluntary disclosures AFS has made to the Department, the Office believes that AFS 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 AFS’s principal place of business is located at 4 Park Plaza, Suite 1450, Irvine, CA 92614

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. AFS is not, and never has been, licensed under the DSSA, and represents that it was unaware of the licensure requirements.

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

8. AFS ceased accepting new clients when it learned of the licensing requirements under the DSSA.

9. AFS cooperated with the Department regarding the matters addressed in this Order.

Authority of the Department

10. The DSSA grants the Department the authority to issue orders as may be necessary for enforcement 63 P.S. § 2571(4).

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

VIOLATION

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

RELIEF

13. Fine. AFS agrees to pay a fine of sixteen thousand (\$16,000) dollars. The fine is due in 12 installments consisting of two installments of one thousand three hundred forty (\$1,340) dollars and ten installments of one thousand three hundred thirty-two (\$1,332) dollars. The first payment is due within thirty (30) days of the Effective Date of the Order. The remaining installments will be due within 30 days of each previous payment. 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. AFS shall refund all fees and considerations which it collected while not licensed in the amount of three hundred twenty-six thousand seven hundred four dollars and forty-six cents (\$326,704.46) to all Pennsylvania clients. Refunds may be made in up to 12 monthly installments of at least \$27,300 until refunds are made in full. The first refund installment shall be due within 30 days of the Effective Date of this order with subsequent installments due the same day of each following month. The refunds may be accomplished by crediting the refunds to the clients' settlement accounts. AFS shall provide to the Department monthly confirmation of fees that have been refunded to Pennsylvania clients.

15. AFS may continue to service its existing clients as long as AFS does not receive any charge or compensation for doing so.

FURTHER PROVISIONS

16. Consent. AFS 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. AFS, 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 AFS.

20. Binding Nature. The Department, AFS, and all officers, owners, directors, employees, heirs and assigns of AFS 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 AFS hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docketed 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 AFS in the future regarding all matters not resolved by this Order.
- b. AFS 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 AFS 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: June 10, 2020



**FOR ALLEVIATE FINANCIAL
SOLUTIONS, LLC**

Redacted
~~(Officer Signature)~~

Michael Barsoum
(Print Officer Name)

CEO
(Title)

Date 4/9/2020