

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, COMPLIANCE OFFICE :  
v. : Docket No. 24\_\_0029 (BNK-OSC) :  
CREDITASSOCIATES, LLC :

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**NOTICE TO ANSWER AND REQUEST A HEARING**

You, CreditAssociates, LLC, have the right to challenge the attached Order to Show Cause (the “Order”) by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission (the “Commission”) may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in this Order, set forth the facts you rely upon, and state concisely the law upon which you rely. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

The Answer and any other documents must be filed via first-class mail and electronic mail with the Docket Clerk:

Linnea Freeberg, Docket Clerk  
Department of Banking and Securities  
17 North Second Street, Suite 1300  
Harrisburg, Pennsylvania 17101  
Email: [RA-BNDOCKETCLERK@pa.gov](mailto:RA-BNDOCKETCLERK@pa.gov)

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a hard and electronic copy to his or her counsel indicated below:

Office of Chief Counsel  
Pennsylvania Department of Banking and Securities  
17 North Second Street, Suite 1300  
Harrisburg, Pennsylvania 17101  
Email: [RA-BNChiefCounsel@pa.gov](mailto:RA-BNChiefCounsel@pa.gov)

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time, and location of the hearing. You have the right to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

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**ORDER TO SHOW CAUSE**

You, CreditAssociates, LLC, are notified that the Department of Banking and Securities (“Department”), through the Compliance Office, hereby **ORDERS YOU TO SHOW CAUSE** why the Banking and Securities Commission (“Commission”) should not impose the sanctions and remedies described below. Specifically, this proceeding is instituted pursuant to 1 Pa. Code § 35.14 to determine:

- (1) whether the allegations set forth below are true; and
- (2) if these allegations are true, whether there has been a violation of the Pennsylvania Debt Settlement Services Act; and
- (3) if so, whether the sanctions and remedies proposed by the Compliance Office should be imposed by the Commission.

The Compliance Office alleges the following facts and violations of law for the purpose of tentatively framing the issues for consideration by the Commission. The Commission may consider this matter directly, or may designate a hearing officer to issue a recommended decision prior to the Commission issuing a final order.

**STATEMENT OF THE PARTICULARS AND MATTERS**  
**CONCERNING WHICH THE COMPLIANCE OFFICE IS INQUIRING**

**PARTIES**

1. The Department of Banking and Securities (the “Department”) is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the Debt Settlement Services Act (“DSSA”), 63 P.S. § 2501, *et seq.*

2. The Department’s Compliance Office has the primary responsibility to administer and enforce the DSSA on behalf of the Department.

3. The Compliance Office is located at 17 North Second Street, Suite 13, Harrisburg, Pennsylvania 17101.

4. Respondent CreditAssociates, LLC (“CreditAssociates”) is located at 5050 Quorum Drive, Suite 700, Dallas, Texas 75254.

**FACTUAL ALLEGATIONS**

5. Section 102 of the DSSA defines “debt settlement services” as “[s]ervices as an intermediary between an individual and one or more unsecured creditors of the individual for the purpose of obtaining concessions where the contemplated concessions involve a reduction in principal of the individual’s unsecured debt owed for personal, family or household expenses to at least one creditor.” 63 P.S. § 2502

6. Section 102 of the DSSA defines “provider” as “[a] person that provides, markets, solicits, offers to provide or agrees to provide debt settlement services.” 63 P.S. § 2502.

7. Section 301(a) of the DSSA states that “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.” 63 P.S. § 2521(a).

8. CreditAssociates is engaged in the business of offering and providing debt settlement services.

9. From in or around January 1, 2015 through August 21, 2023, CreditAssociates mailed marketing, solicitation, and offering materials for debt settlement services to at least 987 individuals who resided in Pennsylvania.

10. These materials were printed on CreditAssociates letterhead and contained the following statements, among others:

- “Take advantage of your options now and reduce your debt with a CreditAssociates Debt Forgiveness Plan.”
- “This letter is to inform you that you may qualify for debt forgiveness of up to HALF of your total owed balances through our Credit Card Debt Forgiveness Program.”
- “Our federally regulated program is meant to provide aid and assistance to those with \$10,000 or more in credit card debt.”
- “Our mission is to help get your accounts paid off faster for less money than you owe.”
- “Our company has recently settled accounts with Chase, Capital One, Citibank, Bank of America, Wells Fargo and American Express.”

11. Because CreditAssociates has marketed, solicited, and offered to provide debt settlement services to Pennsylvania residents, CreditAssociates has operated as a “provider” within the meaning of Section 102 of the DSSA, 63 P.S. § 2502.

12. CreditAssociates is not and has never been licensed by the Department under the DSSA or in any other manner.

**COUNTS**

**Violation of Section 301(a) of the DSSA**

**987 Counts**

13. Paragraphs 1 through 12 are incorporated herein by reference as if set forth in their entirety.

14. By engaging in the acts and conduct set forth in paragraphs 8 through 12 above, CreditAssociates has marketed, solicited, and/or offered to provide debt settlement services for a fee or other consideration to an individual who resides in Pennsylvania without obtaining a license from the Department, in violation of Section 301(a) of the DSSA, 63 P.S. § 2521(a).

**SANCTIONS AND REMEDIES**

**WHEREAS**, the Compliance Office respectfully requests the following penalties and relief pursuant to its authority under the DSSA:

1. That CreditAssociates be ordered to pay a civil penalty of up to \$10,000 for each violation, pursuant to Section 704 of the DSSA, 63 P.S. § 2574(a).

2. That CreditAssociates be ordered to make restitution for actual damages to consumers caused by a violation of the DSSA or to refund fees collected in violation of the DSSA, pursuant to Section 701(6) of the DSSA, 63 P.S. § 2571(6).

**IT IS SO ORDERED.**



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

**Redacted**

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Timothy Knopp  
Non-Depository Institutions

Dated: 05/30/2024

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing Amended Prehearing Statement of Commonwealth of Pennsylvania Department of Banking and Securities upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code § 33.32.

**BY E-MAIL AND FIRST CLASS MAIL:**

Richard J. Zack, Esq.  
Brian M. Nichilo, Esq.  
Troutman Pepper LLP  
3000 Two Logan Square  
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Philadelphia, Pennsylvania 19103-2788

CreditAssociates, LLC  
5050 Quorum Drive, Suite 700  
Dallas, TX 75254

Dated this 30th day of May 2024

**Redacted**

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Alexander T. Korn  
Assistant Counsel  
Attorney I.D. #: 323957  
FOR: Commonwealth of Pennsylvania  
Department of Banking and Securities  
17 N. Second Street, Suite 1300  
Harrisburg, PA 17101  
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