

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 PONTIAC AVENUE, BUILDING 69-2
CRANSTON, RHODE ISLAND 02920
(401) 462-9503

ORDER NO. 09-149

IN THE MATTER OF:

DEBT CONSOLIDATION CO., INC.
ORDER TO CEASE AND DESIST UNLICENSED
DEBT-MANAGEMENT SERVICING ACTIVITIES
AND
NOTICE OF INTENTION TO IMPOSE ADMINISTRATIVE ASSESSMENTS

I

**ORDER TO CEASE AND DESIST
UNLICENSED DEBT-MANAGEMENT SERVICE ACTIVITIES**

Pursuant to R. I. Gen. Laws §§ 19-14-3, 19-14-23(e) and 42-35-1 *et seq.*, the Director ("Director") of the State of Rhode Island Department of Business Regulation ("Department") hereby issues this Order to Cease and Desist Unlicensed Debt-Management Service Activities ("ORDER") and Notice of Intention to Impose Administrative Assessments ("Notice") to Debt Consolidation Co., Inc. ("Respondent").

Upon receipt by the Department on or before July 17, 2009 of a written request for a hearing, a hearing officer will be appointed by the Director and the matter will be set down for

hearing. The Director will promptly notify the Respondent of the time and place for any hearing. If no hearing is requested and none is ordered by the Director, this ORDER shall become permanent on July 17, 2009 and shall remain in effect unless or until it is modified or vacated by the Director or the Director's successor.

The Director makes the following findings of fact and conclusions of law with respect to entry of this ORDER:

1. Respondent is a corporation located at 5762 Okeechobee Boulevard Suite 147, West Palm Beach, FL 33417 that provides debt consolidation services.
2. On or about June 12, 2009 the Division of Banking ("Division") of the Department received a complaint against Respondent regarding Respondent's failure to provide the services contracted for between Respondent and Respondent's Rhode Island customer.
3. The Division is hereby forwarding a copy of the complaint to Respondent for review and response to the Division in accordance with this Order.
4. R. I. Gen. Laws § 19-14-2 states in pertinent part that no person shall engage in the business of providing debt-management services without first obtaining a license from the Director or the Director's designee. The licensing requirement for any person providing debt-management services shall apply to all persons, without regard for state of incorporation or a physical presence in this state, which provides debt-management services for residents of this state.
5. R. I. Gen. Laws § 19-14-23(e) states that if the Director or the Director's designee has reason to believe that any person required to be licensed under R. I. Gen. Laws § 19-14-1 *et seq.* is conducting a business without having first obtained a license under said chapter, the

Director or the Director's designee may issue an order to that person commanding him or her to cease and desist from conducting that business.

6. R. I. Gen. Laws § 19-14.8-4 states that a provider may not provide debt-management services to an individual who it reasonably should know resides in this state at the time it agrees to provide the services, unless the provider is registered.

7. R. I. Gen. Laws § 19-14.8-33 provides that the Director may order a provider or a director, employee, or other agent of a provider to cease and desist from any violations of R. I. Gen. Laws § 19-14.8-1 *et seq.*

8. Respondent does not hold a license under R. I. Gen. Laws § 19-14-2 to provide debt-management services and has not registered with the Division under R. I. Gen. Laws § 19-14.8-4.

9. Upon information and belief, Respondent is providing debt-management services for residents of Rhode Island.

WHEREFORE, based on the foregoing, the Director finds that due to the seriousness of the violations attributed to Respondent in this ORDER, the public safety and welfare imperatively requires the issuance of this ORDER.

Accordingly, pursuant to R. I. Gen. Laws §§ 19-14-23(e) and 19-14.8-33 it is hereby ORDERED that Respondent:

1. Immediately cease and desist from the business of providing debt-management services for residents of Rhode Island.
2. On or before July 17, 2009 file written confirmation that Respondent has immediately stopped the business of providing debt-management services for residents of Rhode Island.

3. On or before July 17, 2009:
 - a. File with the Division a listing of all Rhode Island residents currently receiving debt-management services from Respondent along with a schedule of any fees charged or received from August 1, 2006 through the date of Respondent's receipt of this ORDER.
 - b. File with the Division an explanation of the basis upon which the above fees were charged.
 - c. In an orderly documented manner transfer all existing Rhode Island debt-management services and related files to a Rhode Island debt-management services licensee in good standing; provided however, that immediately upon receipt of this ORDER, the Respondent shall notify the Division in writing of the name and address of a Rhode Island licensee to whom the Respondent proposes to transfer said servicing and files. No transfer shall take place without the Division's approval of the licensee proposed by the Respondent.
 - d. Refund all fees received related to the items described in the above paragraph (a) to the respective Rhode Island customers along with a schedule of all such fees and documentation that evidences that all such fees have been refunded or at a minimum file documented that evidences that said fees have been placed in a trust account established pursuant to R. I. Gen. Laws § 19-14.8-22 in a federally-insured depository institution for refund to the respective Rhode Island customers.

- e. Provide the Division with a list of the name, address, and license number of each licensee for each file transferred as described in paragraphs (d) and (e) immediately upon said transfer.

The provisions of this ORDER shall be binding upon the Respondent.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER, shall have been modified, terminated, suspended, or set aside by the Director in writing. Failure to comply with any of the terms of this ORDER may result in the Department taking action in Superior Court pursuant to R. I. Gen. Laws § 19-14-23(e), R. I. Gen. Laws § 19-14.8-32(b)(3), the maximum penalties provided by R. I. Gen. Laws § 19-14.8-33, and/or the referral of this matter to the Rhode Island Attorney General pursuant to R. I. Gen Laws § 19-14-26.

II

NOTICE OF INTENTION TO IMPOSE ADMINISTRATIVE ASSESSMENTS

Pursuant to R. I. Gen. Laws §§ 19-14-23(f), 19-14.8-33, and 42-35-1 et seq., the Director hereby issues this Notice of Intention to Impose Administrative Assessments up to the amounts permitted under R. I. Gen. Laws § 19-14-23(f) and 19-14.8-33, and of Opportunity for a Hearing ("NOTICE") to Respondent.

1. R. I. Gen. Laws § 19-14-23(f) states that the Director may impose an administrative assessment, as well as the penalties provided for under § 19-14-26, against any person named in an order issued under subsection R. I. Gen. Laws § 19-14-23(e). The amount of the administrative assessment may not exceed one thousand dollars (\$1,000) for each violation of this chapter or each act or omission that constitutes a basis for issuing the order.

2. R. I. Gen. Laws § 19-14.8-33 states in pertinent part that the Director may:

- a. Order a provider to correct a violation, including making restitution of money or property to a person aggrieved by a violation;
- b. Impose on a provider or a person who has caused a violation a civil penalty not exceeding ten thousand dollars (\$10,000) for each violation;
- c. Prosecute a civil action to
 - i. Enforce the Order; or
 - ii. Obtain restitution or an injunction or other equitable relief, or both;
- d. Impose a civil penalty not exceeding twenty thousand dollars (\$20,000) on any person who violates or knowingly authorizes, directs, or aids in the violation of a final order issued under 19-14.8-33(a)(1) or (a)(2); and
- e. Recover the reasonable costs of enforcing the provisions of R. I. Gen. Laws § 19-14.8-1 *et seq.*, including attorney's fees.

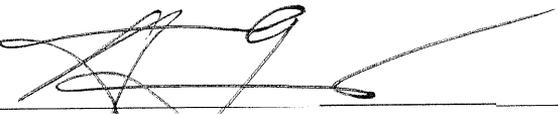
3. It is the intention of the Director to impose administrative assessments up to the maximum amounts permitted by R. I. Gen. Laws §§ 19-14-23(f) and 19-14.8-33 for each act that constitutes a violation of R. I. Gen. Laws §§ 19-14-2 or that constitutes the basis for the issuance of this ORDER.

THEREFORE, unless, on or before July 17, 2009, the Director receives a request for a hearing with respect to the findings in Paragraphs 7 and 8 of Section I above, no hearing will be held on this matter and the Director may by order direct Respondent to pay to the Department by check made payable to the "General Treasurer State of Rhode Island¹" an administrative assessment based in part upon the volume of debt-management services provided by Respondent

¹ Payee must be the "General Treasurer, State of Rhode Island". Checks with incorrect payee will be returned for re-issuance.

from August 1, 2006 through the date of Respondent's receipt of this NOTICE. The Department reserves the right to seek the imposition of criminal and civil sanctions based in part upon the volume of unlicensed debt-management servicing activity conducted by Respondent from August 1, 2006 through the date of Respondent's receipt of this NOTICE.

Dated this 18th day of June 2009



A. Michael Marques, Director
Rhode Island Department of Business Regulation

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

CERTIFICATION

I hereby certify on this 18th day of June 2009, that a copy of the within ORDER and NOTICE was sent by certified mailed, postage prepaid to The Debt Consolidation Co., Inc, 5762 Okeechobee Boulevard Suite 147, West Palm Beach, FL 33417.

