

**STATE OF NEW HAMPSHIRE  
BANKING DEPARTMENT**

In The Matter of: Debt Reduction Services, Inc.

Case No. 18-146

**CONSENT ORDER**

The State of New Hampshire Banking Department (“Department”), acting in agreement with the respondent, Debt Reduction Services, Inc. (“DRS”), finds and orders as follows:

**Jurisdiction<sup>1</sup>**

Pursuant to RSA 399-D:3, I<sup>2</sup>, the New Hampshire Banking Department (“Department”) is charged with regulating persons that conduct debt adjuster activity in New Hampshire. Pursuant to RSA 399-D:2, IV(b)<sup>3</sup>, debt adjustment services include creating debt management plans for consumers for direct or indirect compensation. Pursuant to RSA 399-D:22, II<sup>4</sup>, the Department is authorized to examine the business affairs of any licensee or non-licensee debt adjuster to determine compliance with RSA 399-D.

**Background**

DRS is an Ohio non-profit corporation with a principal office location in Boise, Idaho and is currently a New Hampshire debt adjuster license applicant. Pursuant to its authority under RSA 399-D:22,II, I and 397-B:9-a, I, the Department, through the Consumer Credit Division, conducted an investigation of DRS. DRS fully cooperated with the Department.

Through voluntary submission initiated by DRS to the Department, the Department

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<sup>1</sup> Since the activities that are the subject of this Consent Order occurred both prior to and after January 1, 2017, the first citations are to the law in effect until December 31, 2016 (in effect from 2013). Footnoted citations thereafter are to the new citations effective as of January 1, 2017 if different from the previous citation.

<sup>2</sup> RSA 399-D:2 is the new citation effective January 1, 2017.

<sup>3</sup> RSA 399-D:1, IX(a) and RSA 399-D:1, XI are the new citations effective January 1, 2017.

<sup>4</sup> RSA 399-D:5, I and RSA 399-D:12, I are the new citations effective January 1, 2017.

confirmed that since April 6, 2013, DRS conducted debt adjuster activity with six (6) New Hampshire consumers. Pursuant to RSA 399-D:3, III<sup>5</sup>, DRS is barred from collecting, receiving or retaining any interest or charges from and must refund such monies to such New Hampshire consumers. DRA shall provide an account credit or a refund, totaling \$4,030.42, as follows:

Consumer 1: \$1,104.40 as an account credit;

Consumer 2: \$802.00 as an account credit;

Consumer 3: \$90.00 as a refund;

Consumer 4: \$238.00 as a refund.

Consumer 5: \$195.00 as a refund; and

Consumer 6: \$1,601.02 as a refund.

#### **Acknowledgments**

**WHEREAS**, DRS makes the following acknowledgements:

1. DRS voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and DRS, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation or coercion of any kind.
2. DRS understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
3. DRS acknowledges, understands, and agrees that it has the right to notice and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. DRS further acknowledges it waives the filing of any civil actions related to this matter.
4. DRS understands that its action in entering this Consent Order is a final act and not

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<sup>5</sup> RSA 399-D:21, II is the new citation effective January 1, 2017.

subject to reconsideration or judicial review or appeal.

5. DRS represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
6. DRS acknowledges that the Department is relying upon DRS's representations and warranties stated herein in making its determinations in this matter.
7. DRS acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against DRS if the Department later learns that DRS knowingly or willfully withheld information from the Department.
8. This Consent Order is binding on all heirs, assigns and successors in interest.

### **Order**

Pursuant to RSA 399-D:25, VI<sup>6</sup>, the Bank Commissioner ("Commissioner") finds this action necessary or appropriate to the public interest or the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of RSA Chapter 399-D. Accordingly, the Commissioner orders as follows:

1. DRS shall remit an administrative fine in the amount of \$6,000. The payment shall be made contemporaneously with DRS's execution of this Consent Order, by bank check made payable to the "State of New Hampshire."
2. DRS shall pay provide restitution totaling \$4,032.42 to Consumers 1 through 6 listed above. Such account credits or refunds shall be payable contemporaneously with DRS's execution of this Consent Order.
  - a. The account credit for Consumer 1 and Consumer 2 shall be accompanied by a

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<sup>6</sup> RSA 399-D:18, VI is the new citation effective January 1, 2017.

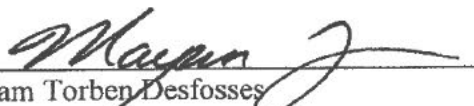
letter to the consumer containing the following language: "This account credit is pursuant to a public consent order that Debt Reduction Services, Inc. entered into with the New Hampshire Banking Department. You may find a copy of this public consent order at the Department's website by searching for Case No. 18-146 in Enforcement Orders. For further questions, please contact the New Hampshire Banking Department at (603) 271-3561." DRS shall provide proof of the account credit through a copy of the account statement; and

- b. The refund checks for Consumers 3 through 6 shall be accompanied by a letter containing the following language: "This refund check is being sent to you pursuant to a public consent order that Debt Reduction Services, Inc. entered into with the New Hampshire Banking Department. You may find a copy of this public consent order at the Department's website by searching for Case No. 18-146 in Enforcement Orders. For further questions, please contact the New Hampshire Banking Department at (603) 271-3561." DRS shall provide copies of all cancelled (cashed) checks to the Department. Should any refund check require escheatment, DRS shall contact the Department for further instructions.
3. Failure by DRS to comply with any portion of this Consent Order shall constitute a separate and sufficient basis for administrative action, up to and including license revocation and monetary penalties.
4. This Order fully resolves this matter and the Commissioner will not take further action against DRS for the allegations presented herein. However, the Department may take enforcement action against DRS for any violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with

the terms of this Order are not being observed or if any representation made by DRS and reflected herein is subsequently discovered to be untrue.

5. This Consent Order shall become final when issued.

Recommended by:


  
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Maryam Torben Desfosses  
Hearings Examiner  
New Hampshire Banking Department

July 27, 2018  
Date

  
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Joseph T. Cestaro  
President  
Debt Reduction Services, Inc.

8/4/18  
Date

**SO ORDERED.**

  
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Gerald H. Little  
Bank Commissioner  
New Hampshire Banking Department

8/22/18  
Date