

) Case No.: 10-077

1 In re the Matter of:)
)
 2 State of New Hampshire Banking Department,)
)
 3 Petitioner,)
)
 4 and)
)
 5 Credit and Debt Management of America G.P., LLC)
)
 6 (a/k/a Credit & Debt Management of America, GP,)
)
 7 a/k/a Credit and Debt Management of America,) Order to Show Cause and
) Cease and Desist
 8 LLC, d/b/a CDMA, d/b/a CADMOA, d/b/a Credit &)
)
 9 Debt Management of America, and a/k/a)
)
 10 www.cadmoa.com), Credit and Debt Management of)
)
 11 America, L.P., Charles B. Stephenson (a/k/a)
)
 12 "Chuck" Stephenson), and Jim Thomas,)
)
 13 Respondents)

NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")

- 15 1. This Order commences an adjudicative proceeding under the provisions
 16 of RSA Chapter 399-D (including RSA 399-D:13,I, RSA 399-D:23,I and II, RSA
 17 399-D:24, IV and V and RSA 399-D:25,IV) and RSA Chapter 541-A.
- 18 2. The Commissioner may impose administrative penalties of up to
 19 \$2,500.00 for each violation. RSA 399-D:24,IV and V.

RESPONDENT

21 3. Credit and Debt Management of America G.P., LLC (a/k/a Credit & Debt
 22 Management of America, GP, a/k/a Credit and Debt Management of America, LLC,
 23 d/b/a CDMA, d/b/a CADMOA, d/b/a Credit & Debt Management of America, and
 24 a/k/a www.cadmoa.com) ("Respondent CADMOA") is a domestic limited liability
 25 company duly formed in the State of Texas on September 6, 2007, with a

1 principal office location in Double Oak, Texas. Respondent CADMOA also
2 appears to list addresses in Dallas, Texas and Frisco, Texas. Respondent
3 CADMOA is not registered with the New Hampshire Secretary of State.
4 Respondent CADMOA is also the General Partner of Respondent Credit and Debt
5 Management of America, L.P. Respondent CADMOA is a "Person." RSA 399-
6 D:1,VII.

7 4. The New Hampshire Banking Department's ("Department") records do not
8 indicate that Respondent CADMOA has ever held a New Hampshire Debt Adjuster
9 license.

10 5. Credit and Debt Management of America, L.P. ("Respondent CADMOA 2") is
11 a domestic limited partnership duly formed in the State of Texas on
12 September 6, 2007, with the same principal office location in Double Oak,
13 Texas as that of Respondent CADMOA. Respondent CADMOA 2 may also be the
14 same entity operating as Respondent CADMOA in consumer contracts. Respondent
15 CADMOA 2 is not registered with the New Hampshire Secretary of State.
16 Respondent CADMOA 2's General Partner is Respondent CADMOA. Respondent
17 CADMOA 2 is a "Person." RSA 399-D:1,VII.

18 6. Charles B. Stephenson (a/k/a "Chuck Stephenson") ("Respondent
19 Stephenson") is listed in the Texas Secretary of State filings and the Texas
20 Franchise Tax Public Information Report as the Manager and Director of
21 Respondent CADMOA. Respondent Stephenson is also listed as person who has
22 the records at the principal office of Double Oak, Texas for Respondent
23 CADMOA 2. An August 27, 2009 press release by Respondent CADMOA indicates
24 Respondent Stephenson is the Managing Partner of Respondent CADMOA. A March
25 6, 2010 press release from PR.com states that Respondent Stephenson is the

1 Managing Partner of Respondent CADMOA. Documents obtained from the domain
2 privacy registrant indicates the registrant contact, administrative contact,
3 technical contact and billing contact is Respondent Stephenson at the same
4 Double Oak, Texas principal office location for both Respondents CADMOA and
5 CADMOA 2. Respondent Stephenson is a Control Person (RSA 399-D:2,II-a), a
6 Direct Owner (RSA 399-D:2,V-b), an Indirect Owner (RSA 399-D:2,V-d), a
7 Principal (RSA 399-D:2,VII-a), and a Person (RSA 399-D:2,VII).

8 7. The New Hampshire Banking Department's ("Department") records do not
9 indicate that Respondent Stephenson has ever held a New Hampshire Debt
10 Adjuster license.

11 8. Jim Thomas ("Respondent Thomas") is listed in the Texas Secretary of
12 State filings and the Texas Franchise Tax Public Information Report as the
13 Manager and Director of Respondent CADMOA. Respondent Thomas is a Control
14 Person (RSA 399-D:2,II-a), a Direct Owner (RSA 399-D:2,V-b), a Principal
15 (RSA 399-D:2,VII-a), and a Person (RSA 399-D:2,VII).

16 9. The New Hampshire Banking Department's ("Department") records do not
17 indicate that Respondent Thomas has ever held a New Hampshire Debt Adjuster
18 license.

19 10. The above-named Respondents are hereinafter collectively known as
20 "Respondents".

21 **RIGHT TO REQUEST A HEARING**

22 11. Respondents have a right to request a hearing on this Order. A hearing
23 shall be held not later than ten (10) days after the Commissioner receives
24 the Respondent's written request for a hearing. Respondents may request a
25 hearing and waive the ten (10) day hearing requirement. The hearing shall

1 comply with RSA Chapter 541-A. RSA 399-D:13,I and RSA 399-D:23, I and II.

2 12. If any person fails to request a hearing within thirty (30) days of
3 receiving this Order, then such person shall be deemed in default, and the
4 Order shall, on the thirty-first (31st) day, become permanent, all
5 allegations may be deemed true, and shall remain in full force and effect
6 until modified or vacated by the Commissioner for good cause shown. RSA
7 399-D:13,I and RSA 399-D:23,II.

8 13. A default may result in administrative fines as described in Paragraph
9 2 above.

10 **STATEMENT OF ALLEGATIONS**

11 14. On February 17, 2010, the Department received a complaint against
12 Respondents from a New Hampshire consumer ("Consumer A") and Consumer A's
13 legal counsel alleging that Respondents provided debt relief assistance for
14 credit cards without licensure and with advanced fees in violation of RSA
15 Chapter 399-D.

16 15. On or about August 17, 2009, Consumer A hired Respondents to
17 negotiate credit card debt. Consumer A made approximately four (4) payments
18 of \$303.40 (enrollment fee), plus a \$99.00 Setup Fee and approximately four
19 (4) payments of \$75.00 (Service Fees) for an approximate total payment of
20 \$1,612.60. Respondents charged an advanced fee in violation of RSA 399-
21 D:14,I.

22 16. Respondents collected approximately \$1,612.60 in fees from Consumer A,
23 without either the written consent of Consumer A's creditor(s) or any
24 payments made to Consumer A's creditor(s), in violation of RSA 399-D:14,I
25 and II.

1 17. Respondents failed to conduct any debt negotiations on behalf of
2 Consumer A, and failed to use any of the funds to pay Consumer A's
3 creditor(s), in violation of RSA 399-D:15,I(b).

4 18. On August 12, 2010, the Department attempted to send correspondence to
5 Respondent CADMOA via facsimile. Both attempts resulted in a busy or no
6 response signal.

7 19. On August 12, 2010, due to the failed facsimile, the Department sent a
8 letter via U.S. Mail Return Receipt requested to Respondents in Dallas,
9 Texas, suggesting Respondents apply for licensure with the Department,
10 provide requested documentation and resolution of Consumer A's complaint.
11 Someone signed for the correspondence on August 18, 2010, then whited out
12 the signatures and the correspondence was returned to the Department on
13 September 10, 2010 as "Unclaimed".

14 20. On August 11, 2011, the Department sent a letter via U.S. Mail Return
15 Receipt requested to Respondents at the Double Oak, Texas address,
16 suggesting Respondents apply for licensure with the Department, provide
17 requested documentation and resolution of Consumer A's complaint. The
18 letter was returned to the Department on September 6, 2011 as "return to
19 sender; unclaimed". On August 12, 2011, the Department attempted to send the
20 same letter via facsimile. The facsimile was unsuccessful and the machine
21 indicated "Voice Box Full".

22 21. On August 12, 2011, the Department sent a letter via electronic mail
23 to Respondent Stephenson's email address, suggesting Respondents apply for
24 licensure with the Department, provide requested documentation and
25 resolution of Consumer A's complaint. The email was not returned as

1 undeliverable.

2 22. To date, Respondents have failed to respond or to provide any of the
3 information requested by the Department, in violation of RSA 399-D:22,VIII.

4 23. To date, Respondents have failed to return the \$1,800.00 Consumer A
5 paid Respondent AFM.

6 24. The Respondents contracted with at least one (1) New Hampshire
7 consumer to provide unlicensed debt adjustment services in violation of RSA
8 399-D:3,I.

9 _____ /s/
10 Maryam Torben Desfosses
Hearings Examiner

_____ /s/
Date

11 **ORDER**

12 25. **I hereby find as follows:**

13 a. Pursuant to RSA 399-D:13,I, the facts as alleged above, if true,
14 show Respondents are operating or have operated in violation of RSA Chapter
15 399-D and form the legal basis for this Order;

16 b. Pursuant to 399-D:25,VI, this Order is necessary and appropriate
17 to the public interest and for the protection of consumers and consistent
18 with the purpose and intent of New Hampshire banking laws;

19 c. The Department finds pursuant to RSA 399-D:23,II reasonable
20 cause to issue an order to cease and desist; and

21 d. Pursuant to RSA 399-D:13,I and RSA 399-D:23,II, if any
22 Respondent fails to respond to this Order and/or defaults then all facts as
23 alleged herein are deemed as true.

24 26. **Accordingly, it is hereby ORDERED that:**

25 a. Respondents shall cease and desist from violating RSA Chapter

1 399-D and rules or orders thereunder;

2 b. Respondents shall immediately provide the Department a list of
3 all New Hampshire consumers for whom Respondents have conducted or
4 contracted to conduct debt adjustment activities. This list must include
5 the names and contact information of the New Hampshire consumers, along with
6 all monies charged, collected, and waived (if applicable). The list shall
7 also be accompanied by all contracts, checks to and from the consumer and
8 any other documents in the New Hampshire consumers' files;

9 c. Respondents shall show cause why the Commissioner should not
10 enter an order of rescission, restitution, or disgorgement of profits in the
11 amount of at least \$1,612.60 (Consumer A);

12 d. Respondents shall show cause why an administrative fine of up to
13 a maximum of \$2,500.00 per violation should not be imposed as follows:

14 (1). Respondent CADMOA:

15 Violation #1: Unlicensed activity as a debt adjuster (RSA
16 399-D:3,I) - 1 count;

17 Violation #2: Collecting a Fee prior to payment to
18 creditors (RSA 399-D:14,I) - 1 count;

19 Violation #3: Collecting a Fee without consent of the
20 creditors (RSA 399-D:14,II) - 1 count;

21 Violation #4: Failure to make payment to creditors within
22 10 days after receipt of funds (RSA 399-D:15,I(b)) - 1
23 count;

24 Violation #5: Failure to provide documents (RSA 399-
25 D:22,VIII) - 1 count;

1 (2). Respondent CADMOA 2:

2 Violation #1: Unlicensed activity as a debt adjuster (RSA
3 399-D:3,I) - 1 count;

4 Violation #2: Collecting a Fee prior to payment to
5 creditors (RSA 399-D:14,I) - 1 count;

6 Violation #3: Collecting a Fee without consent of the
7 creditors (RSA 399-D:14,II) - 1 count;

8 Violation #4: Failure to make payment to creditors within
9 10 days after receipt of funds (RSA 399-D:15,I(b)) - 1
10 count;

11 Violation #5: Failure to provide documents (RSA 399-
12 D:22,VIII) - 1 count;

13 (3). Respondent Stephenson (as Control Person, Direct Owner,
14 Indirect Owner and Principal):

15 Violation #1: Unlicensed activity as a debt adjuster (RSA
16 399-D:3,I) - 1 count;

17 Violation #2: Collecting a Fee prior to payment to
18 creditors (RSA 399-D:14,I) - 1 count;

19 Violation #3: Collecting a Fee without consent of the
20 creditors (RSA 399-D:14,II) - 1 count;

21 Violation #4: Failure to make payment to creditors within
22 10 days after receipt of funds (RSA 399-D:15,I(b)) - 1
23 count;

24 Violation #5: Failure to provide documents (RSA 399-
25 D:22,VIII) - 1 count;

1 (4). Respondent Thomas (as Control Person, Direct Owner and
2 Principal):

3 Violation #1: Unlicensed activity as a debt adjuster (RSA
4 399-D:3,I) - 1 count;

5 Violation #2: Collecting a Fee prior to payment to
6 creditors (RSA 399-D:14,I) - 1 count;

7 Violation #3: Collecting a Fee without consent of the
8 creditors (RSA 399-D:14,II) - 1 count;

9 Violation #4: Failure to make payment to creditors within
10 10 days after receipt of funds (RSA 399-D:15,I(b)) - 1
11 count;

12 Violation #5: Failure to provide documents (RSA 399-
13 D:22,VIII) - 1 count;

14 e. Nothing in this Order:

15 (1). shall prevent the Department from taking any further
16 administrative and legal action as necessary under New Hampshire law; and

17 (2). shall prevent the New Hampshire Office of the Attorney
18 General from bringing an action against the above named Respondents in any
19 New Hampshire superior court, with or without prior administrative action by
20 the Commissioner.

21
22 **SO ORDERED.**

23 _____
24 /s/
RONALD A. WILBUR
BANK COMMISSIONER

Dated: 10/27/2011