

1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 06-072

4 State of New Hampshire Banking )

5 Department, ) Consent Agreement

6 Petitioner, )

7 and )

8 North Seattle Community College )

9 Foundation d/b/a AFS Credit )

10 Counseling, )

11 Respondent

---

12

13 CONSENT AGREEMENT

14 This Consent Agreement (hereinafter referred to as the "Agreement" or the  
15 "Consent Agreement") is entered into between the New Hampshire Banking  
16 Department (hereinafter referred to as "the Department") and Respondent  
17 North Seattle Community College Foundation d/b/a AFS Credit Counseling,  
18 (hereinafter referred to as "AFS" or "Respondent"). This agreement  
19 applies to AFS, its officers, successors, assignees, parents,  
20 subsidiaries, and affiliates. The Department and AFS together shall be  
21 referred to herein as the "Parties".

22 RECITALS

23 WHEREAS, the Department is authorized by New Hampshire Revised Statutes  
24 Annotated (RSA) 399-D:1 to regulate debt adjustment services provided to New  
25 Hampshire consumers; and

WHEREAS, RSA 399-D:13 authorizes the Department to investigate alleged  
violations of laws or rules to determine whether any person has violated or  
is about to violate any provision of the Chapter, rule or Order given under  
the Chapter or other applicable state and federal laws and regulations, and  
to perform examinations of the Respondents' debt adjustment business; and

1 WHEREAS, AFS failed to obtain a debt adjustment license upon a change in  
the law requiring non-profit debt adjusters to obtain a license effective  
2 September 9, 2004; and

3 WHEREAS, AFS was unaware of the change in New Hampshire law, which  
requires non-profit credit counseling agencies to obtain a license under new  
4 Hampshire's debt adjuster law; and

5 WHEREAS, during the negotiation process the Department was also charged  
with licensing money transmitters pursuant to RSA 399-G; and

6 WHEREAS, AFS would require licensure as a money transmitter even if  
they ceased accepting contributions of any kind from their clients; and

7 WHEREAS, for various reasons AFS is no longer pursuing licensure in the  
8 State of New Hampshire; and

9 WHEREAS, the Parties agree that this Consent Agreement constitutes the  
settlement of disputed claims between the Parties; and

10 WHEREAS, this Agreement shall not constitute an admission of  
wrongdoing, liability, or legal fault on the part of AFS for any conduct  
11 underlying this Agreement, nor shall it be construed as an admission that any  
12 person or entity acted wrongfully; and

13 WHEREAS, the Parties desire to avoid formal proceedings, and further  
expense, and to finally resolve this matter under the terms and conditions  
14 set forth below; and

15 WHEREAS, the terms of this Agreement are an appropriate disposition of  
this case and are in the public interest;

16 NOW, THEREFORE in consideration of the mutual promises and  
representations set forth herein, and in further consideration of the  
17 Department's reliance upon the substantial accuracy and good faith of the  
18 representations and submissions made to it by AFS, the Parties intending to  
be legally bound agree as follows:

19 **AGREEMENTS**

- 20 1. This Agreement is effective on the date of the signature of the last  
21 signatory to the Agreement (hereinafter the "Effective Date").
- 22 2. The Respondent shall immediately pay \$10,000.00 to the Department.
- 23 3. AFS shall immediately work to transfer all existing clients to a  
licensed debt adjuster to the extent the clients wish to continue  
24 their debt management plan.
- 25 4. AFS will obtain approval for the language of the transfer letter  
prior to its issuance. Said letter to be sent out thirty days or

1 less from the Effective Date. AFS shall provide a copy of all such  
2 letters, once sent, to the Department.

- 3 5. AFS will abide by all applicable New Hampshire state laws and  
4 applicable federal laws and regulations.
- 5 6. AFS further acknowledges its understanding that AFS must be licensed  
6 in order to conduct debt adjustment services or a money transmission  
7 business with consumers located in New Hampshire and acknowledges  
8 the penalties provided by law.
- 9 7. AFS agrees to waive any and all rights regarding the opportunity for  
10 a hearing or appeal on the debt adjustment licensing issue, which is  
11 the subject of this Consent Agreement and accompanying Order.
- 12 8. The Department expressly reserves its right to pursue any  
13 administrative or civil action or remedy available to it should AFS  
14 breach this Agreement or in the future violate Chapter XXXVI or  
15 rules and orders promulgated thereunder.
- 16 9. AFS reserves its rights to a hearing and appeal of any future  
17 administrative or civil action or remedy for future alleged  
18 violations by AFS, including but not limited to any alleged breach  
19 of this Consent Agreement by AFS.
- 20 10. AFS acknowledges that this Consent Agreement is a public document.
- 21 11. Nothing in this Agreement, absent default, will preclude AFS'  
22 licensure as a debt adjuster in New Hampshire if it pays the above  
23 stated amount in full and remains in compliance with state and  
24 federal banking laws and regulations.
- 25 12. Each person who signs this Agreement in a representative capacity  
warrants that his or her execution of this Agreement is duly  
authorized, executed, and delivered by and for the entity for which  
he signs.

#### Stipulated Order

In light of the foregoing, finding it in the public interest, the New  
Hampshire Bank Commissioner hereby orders that:

1. AFS shall, contemporaneously with its execution of this Agreement,  
pay to the Department the sum of \$10,000; and
2. AFS shall, within 90 days of the date of the Effective Date of this  
Agreement, transfer all of its New Hampshire clients who wish to be  
transferred to a New Hampshire licensed debt adjuster and cease dealing

1 with any clients who do not assent to transfer; provided, however, that  
2 all of AFS' New Hampshire clients shall be notified in writing of this  
3 transfer option within 30 days of the Effective Date of this Agreement;  
4 and

5 3. AFS shall refund directly to all of its New Hampshire clients, on an  
6 equal pro rata basis, any remuneration, direct or indirect, that it  
7 receives in connection with the transfer of the New Hampshire accounts;  
8 while AFS will only receive remuneration in connection with those  
9 client accounts that are transferred, the total remuneration received  
10 shall be divided equally and paid to all of its New Hampshire clients;  
11 and

12 4. AFS shall file a report with the department within 90 days of the  
13 Effective Date of this Agreement that shows the name on each New  
14 Hampshire account AFS held on the date of its execution of this  
15 Agreement, the date the account was transferred or terminated, and the  
16 name of the company or person to whom each account was transferred, if  
17 applicable; and

18 5. AFS shall abide by all New Hampshire laws and regulations.

19 WHEREFORE, based on the foregoing, we have set our hands to this  
20 Agreement and Order, with it taking effect upon the signature of Peter  
21 C. Hildreth, Bank Commissioner.

22 Executed and agreed this 23rd day of February, 2007.

23 \_\_\_\_\_  
24 /s/  
25 Henry F. Keaton  
President  
North Seattle Community  
College Foundation d/b/a AFS Credit Counseling

STATE OF

COUNTY OF

1 The foregoing instrument was acknowledged before me this 23 day of February,  
2 2007, by Henry Keaton for North Seattle Community College Foundation d/b/a  
3 AFS Credit Counseling on behalf of the organization.

4  
5 [ed: signature was notaried]

6 Notary Public / Justice of the Peace

7 My Commission Expires:  
8

9 So ordered this 26th day of Februrary, 2007.  
10

11 /s/  
12 \_\_\_\_\_  
13 Peter C. Hildreth,  
14 Bank Commissioner  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25