

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 08-361
)
 3 State of New Hampshire Banking)
)
 4 Department,) Order of License Denial
)
 5 Petitioner,)
)
 6 and)
)
 7 Debt Relief USA, Inc., Alvin B. Bell,)
)
 8 Kelly Reilly, and James F. Wojcik,)
)
 9 Respondents)

10 ORDER OF LICENSE DENIAL

11 BACKGROUND

12 The above named Respondents ("Respondent Debt Relief USA") applied
13 with the New Hampshire Banking Department ("Department") for a debt
14 adjustment license under RSA Chapter 399-D on October 29, 2008.

15 During the pendency of the license application and due to the December
16 5, 2008 Consent Order with the Department, Respondent Debt Relief USA was
17 subject to a pre-licensing examination of all of its consumer and/or
18 customer contracts to ensure compliance with New Hampshire law.

19 During the December 2008 pre-licensing examination, the Department
20 discovered that Respondent Debt Relief USA's business model and contracts do
21 not comply with New Hampshire law under RSA Chapter 399-D.

22 LEGAL AUTHORITY AND JURISDICTION

23 Pursuant to RSA 399-D:1 and RSA 399-D:3, the Department has
24 jurisdiction over any entity which engages in the business of debt
25 adjustment in the State of New Hampshire or with persons located in the
State of New Hampshire.

1 Pursuant to RSA 399-D:5,II(c), the license applicant shall furnish the
2 Commissioner with a blank copy of the contract intended for use between the
3 licensee and the debtor.

4 Pursuant to RSA 399-D:13,I(o), the Commissioner may by order deny a
5 license or application if it is in the public interest or if the applicant
6 (Respondent Debt Relief USA herein) has not met the standards established in
7 RSA Chapter 399-D.

8 Pursuant to RSA 399-D:14,I, the fees of the licensee shall be agreed
9 upon in advance and stated in the contract, and provision for settlement in
10 case of cancellation or prepayment shall be clearly stated in the contract.
11 Further, a contract shall not be effective until a debtor has made a payment
12 to the licensee for distribution. The licensee may request a deposit not to
13 exceed \$25.00 upon the signing of the contract, which if the debtor fulfills
14 the contract, the deposit shall be returned.

15 Pursuant to RSA 399-D:14,II, a licensee shall not receive any fee
16 unless he or she has the written consent of such number of creditors as hold
17 obligations representing at least 25 percent of the total amount of
18 indebtedness and 25 percent of the total number of creditors listed in the
19 licensee's contract with the debtor, or unless a like number of creditors
20 have accepted a distribution of payment.

21 Pursuant to RSA 399-D:14,III, the licensee's fees shall be based on
22 the amount required to pay indebtedness and shall not exceed the percentages
23 indicated in subparagraphs (a), (b) and (c) therein.

1 ANALYSIS

2 Based on the pre-licensing examination, Respondent Debt Relief USA's
3 contracts and business model violate RSA 399-D:14,I, RSA 399-D:14,II and RSA
4 399-D:14,III by charging fees that are statutorily prohibited and by failing
5 to obtain the necessary consent of 25% of debtors' creditors.

6 NOTICE OF RIGHT TO APPEAL

7 The above named Respondents may appeal a license decision pursuant to
8 and in accordance with RSA 399-D:13,IV, RSA Chapter 541-A and RSA Chapter
9 541.

10 ORDER

11 WHEREAS, finding it necessary and appropriate and in the public
12 interest, and consistent with the intent and purposes of the New Hampshire
13 banking laws, and

14 WHEREAS, finding that the results of the pre-licensing examination
15 form the legal basis of the relief requested,

16 It is hereby ORDERED, that:

- 17 1. Respondent Debt Relief USA's application for licensure as a
18 debt adjuster is denied based on the applicant's inability to
19 meet the standards established by RSA Chapter 399-D; and
20 2. As a result of the license denial, Paragraph 8 of the
21 December 5, 2008 Consent Order, which requires licensure of
22 Respondent Debt Relief USA, is now moot.

23 SIGNED,

24
25 Dated: 01/02/09

/s/

PETER C. HILDRETH
BANK COMMISSIONER