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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)	
FINANCE, CONSUMER FINANCE)	
BUREAU,)	Docket No. 2010-9-16
)	
Complainant,)	CONSENT ORDER
)	
vs.)	
)	
GHS SOLUTIONS, LLC,)	
)	
Respondent.)	
_____)	

The Director of the State of Idaho, Department of Finance (Director) has conducted a review of the Idaho debt settlement activities of GHS SOLUTIONS, LLC (the Respondent). Pursuant to said review, the Director alleges that the Respondent has violated provisions of the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act). The Director and the Respondent have agreed to resolve this matter through this Consent Order, without admission or finding of liability, rather than through a formal administrative proceeding or civil action. Therefore, the Director deems it appropriate and in the public interest that this Consent Order be entered. The Respondent voluntarily consents to the entry of this Consent Order.

RESPONDENT

1. The Respondent is a Florida limited liability company doing business as a debt settlement company, which business is defined as debt or credit counseling under the Act. The Respondent conducts its debt settlement business from 4733 West Atlantic Avenue, Suite C3-C5, Delray Beach, Florida 33445.

2. The Respondent represents on its website as of October 14, 2010 that it is “a privately held fully accredited debt settlement company” It also represents that it has “provided debt settlement services to over 14,000 clients and [has] sustained continuous growth since [its] inception four years ago.”

3. The Respondent has never applied for nor has ever been issued any license under the Act, to include specifically a license authorizing it to engage in the business of debt settlement.

FACTS

4. On or about April 13, 2010, the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) received a complaint from E.H., a resident of Caldwell, Idaho. E.H. reported that after being solicited by the Respondent through the mail, she contacted the Respondent in or around March of 2009 inquiring about the Respondent’s debt settlement services. A representative of the Respondent informed E.H. that engaging its debt settlement services would require E.H. to send a payment each month, which moneys would be placed by the Respondent in a savings account in her name, and would be used as needed for the Respondent to settle E.H.’s debt. On March 25, 2009, E.H. signed a contract with the Respondent for its debt settlement services. Although E.H. sent several payments as she had

been instructed, the Respondent never applied any of such moneys toward settlement of E.H.'s debt.

5. After receiving the complaint from E.H., a Department staff member noted that the Respondent failed to hold a license under the Act authorizing it to engage in a debt settlement business in Idaho.

6. On April 30, 2010, the Department sent a letter to the Respondent concerning E.H.'s complaint, and the Respondent's apparent unlicensed debt settlement activity in Idaho. In that letter, the Department requested that the Respondent provide information necessary for the Department to determine the extent of the Respondent's unlicensed debt settlement activity in Idaho and the amount of moneys it had received from, and owed to, Idaho residents. The letter also requested that the Respondent address E.H.'s complaint.

7. On June 7, 2010, the Respondent, through its counsel, responded to the Department's request for information by providing a list reflecting "Idaho citizens currently enrolled in [the Respondent's] debt settlement program," as well as other information requested in the Department's April 30, 2010 letter. The Respondent also provided documentation to demonstrate that it had refunded all moneys paid to the Respondent by E.H., and represented that it had ceased "enrolling" Idaho residents and was "completing" services to its existing Idaho customers "on an expeditious basis."

8. On August 10, 2010, a Department investigator was assigned to investigate the Respondent's debt settlement activities in Idaho. On or around that date, the investigator began a series of communications with the Respondent, seeking more complete information concerning the extent of the Respondent's unlicensed debt settlement activity in Idaho and moneys received by the Respondent from Idaho residents in connection with such activities.

9. The Respondent cooperated in the Department's investigation by providing the information requested by a Department investigator. The information consisted of a spreadsheet that included the names and addresses of the Respondent's Idaho clients; "enrollment dates" for the Respondent's debt settlement services; and specific dollar amounts set forth in several categories, to include debt owed by such clients, amounts paid into escrow accounts by such clients, and fees paid by such clients both to the Respondent and to banks associated with the consumer accounts (Spreadsheet).

10. Based on information provided to the Department by the Respondent in connection with the Departments' investigation of the Respondent's unlicensed debt settlement activity in Idaho, the Department concludes as follows:

- (a) As part of the contract the Respondent entered into with its Idaho debt settlement clients, the Respondent required such clients to open a savings account for the purported purpose of saving moneys to be used for debt settlement purposes, and to pay fees to the Respondent. Such contract also presented Idaho clients with the option of using a company identified as Global Client Solutions (Global) as an "agent for Rocky Mountain Bank and Trust" to establish the required savings account for the "savings and payment process." The contract specified that if the client chose to use Global's services for establishing and maintaining the required savings account, the client was responsible for Global's fees for its services.
- (b) The Respondent has provided its debt settlement services to at least 143 Idaho residents from at least July of 2008 to the date of this Consent Order.
- (c) The Respondent has collected at least \$303,218.23 in "service fees" from such Idaho residents.

FINDINGS OF VIOLATION

UNLICENSED DEBT COUNSELING OR CREDIT COUNSELING ACTIVITY

11. The allegations set forth in paragraphs 1 through 10 above are fully incorporated herein by this reference.

12. Idaho Code § 26-2222(9) defines “debt counselor” or “credit counselor” as “any person engaged in any of the activities enumerated in subsection (7) of section 26-2223” of the Act.

13. Idaho Code § 26-2223(7) provides as follows, in pertinent part:

26-2223. Collection agency, debt counselor, credit counselor, or credit repair organization – License required. -- No person shall without complying with the terms of this act and obtaining a license from the director:

...
(7) Engage or offer to engage in this state ... in the business of providing counseling or other services to debtors in the management of their debts, or contracting with the debtor to effect the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.

14. The Respondent’s acts of engaging in debt or credit counseling activity in Idaho as to at least 143 Idaho residents, as referenced in paragraph 10(b) above, while the Respondent failed to maintain the license required by the Act authorizing it to do so, constitute violations of Idaho Code § 26-2223(7). Each contract with an Idaho client constitutes a separate violation.

REMEDIES

15. The Respondent certifies that the information included on the Spreadsheet is true and accurate, and that it reflects all debt settlement activities the Respondent has ever engaged in with Idaho residents.

16. The Respondent agrees that by no later than June 1, 2011, it will make full restitution of all fees ever collected from its Idaho clients as shown on the Spreadsheet, in the total amount of at least \$303,218.23. The Respondent shall make such restitution payments to

the Department on a monthly basis, beginning January 1, 2011, and continuing through June 1, 2011, with each monthly payment to include one-sixth of all restitution due the Respondent's Idaho clients as shown on the Spreadsheet. Such amounts will be held in a Department restitution account until all such payments have been made by the Respondent. Once all of the Respondent's restitution payments have been made, the Department shall forward restitution checks to the Respondent's Idaho clients from such restitution account on a pro rata basis pursuant to the information included on the Spreadsheet. If the Respondent has already refunded to its Idaho clients any of such fees, and can provide satisfactory proof to the Department of the same, the Respondent's restitution payments to the Department may be reduced appropriately.

17. By no later than December 20, 2010, the Respondent agrees to notify all of its Idaho debt settlement clients in writing that *effective immediately* it is no longer engaging in a debt settlement business in Idaho, and as such, that it is no longer appropriate for such clients to maintain a savings account for the purpose of doing business with the Respondent. The Respondent agrees that such written notice shall list the Department as being copied thereon, and the Respondent shall provide copies to the Department of all such letters sent. The content of such written notice must be approved by the Department prior to being delivered by the Respondent. The Respondent also agrees to provide any advice or assistance necessary to aid its Idaho clients in closing such savings accounts.

18. Immediately upon the full and timely completion of all requirements set forth in paragraphs 16 and 17 above, the Respondent agrees to *cease and desist* from all debt settlement activities in Idaho, shall close all accounts with Idaho residents related to such activities, and shall exclude the state of Idaho from all advertising and promotion of its debt settlement services,

until such time as it obtains the appropriate license under the Act to engage in such activities in Idaho.

19. Upon the execution of this Consent Order, and by no later than December 20, 2010, the Respondent agrees to pay to the Department an administrative penalty in the amount of ten thousand dollars (\$10,000) for the violations set forth herein, and an additional five thousand dollars (\$5,000) for investigative expenses and attorney fees incurred by the Department in pursuing this matter, for a total payment to the Department of fifteen thousand dollars (\$15,000).

20. The Department agrees not to seek further penalties or fees for the violations identified in this Consent Order, other than as set forth above, so long as the Respondent fully and timely complies with all terms of this Consent Order. If the Department later determines that any of the information provided to the Department by the Respondent, upon which the terms set forth herein are based, is inaccurate, the Department may seek further restitution and penalties from the Respondent, as well as other applicable sanctions.

21. The Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal applications. The disclosure requirements of other states may also require disclosure of the same.

DATED this 13th day of December, 2010.

GHS SOLUTIONS, LLC

Rohini Bask

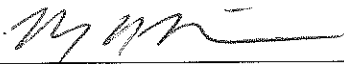
By:

Compliance Officer

Title

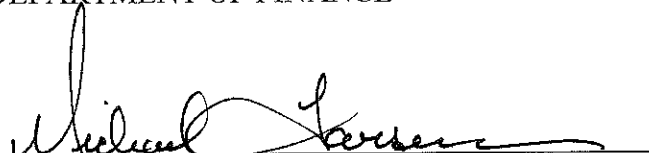
APPROVED AS TO FORM AND SUBSTANCE:

DATED this 19th day of December, 2010.


ROBBY H. BIRNBAUM
Attorney for the Respondent (only licensed in Florida)

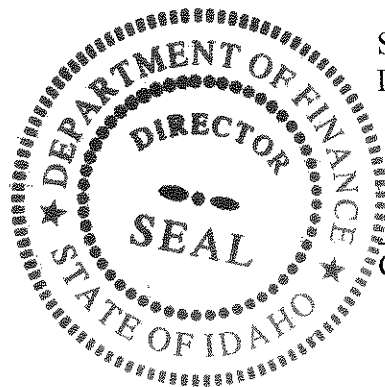
DATED this 20th day of December, 2010.

STATE OF IDAHO
DEPARTMENT OF FINANCE



MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 20th day of December, 2010.



STATE OF IDAHO
DEPARTMENT OF FINANCE


GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21 day of December, 2010,
I caused a true and correct copy of the foregoing fully-executed CONSENT ORDER to be
served on the following by the designated means:

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