

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING
File No. 2016-CFPB- 0009

In the Matter of:

PRESSLER & PRESSLER, LLP, SHELDON
H. PRESSLER, AND GERARD J. FELT

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the practices of Pressler & Pressler, LLP (Pressler & Pressler or Firm), Sheldon H. Pressler, and Gerard J. Felt, (collectively Respondents) regarding their debt-collection efforts, including filing lawsuits against Consumers, and has identified violations of Sections 807(3), 807(10), and 808 of the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. §§ 1692e(3), 1692e(10), and 1692f, and Sections 1031(a) and 1036(a) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a). Under Sections 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

**I
Jurisdiction**

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, and Section 814(b) of the FDCPA, 15 U.S.C. § 1692l(b).

II Stipulation

2. Respondents have executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated April 22, 2016, which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondents have consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondents admit the Bureau has jurisdiction over them and the subject matter of this proceeding.

III Definitions

3. The following definitions apply to this Consent Order:
 - a. **“Charge-off”** means the treatment of a receivable balance by a creditor as a loss or expense because payment is unlikely.
 - b. **“Charge-off Balance”** means the amount alleged due on an account receivable at the time of Charge-off.
 - c. **“Collection Suit”** means any civil action commenced in any court or other tribunal against a Consumer to attempt to collect a Debt, but does not include any post-judgment collection efforts or domestication of a judgment.
 - d. **“Consumer”** means any natural person obligated or allegedly obligated to pay any Debt.

- e. **“Creditor”** means any person who offers or extends credit creating a Debt or to whom a Debt is owed or was owed, but such term does not include any person who receives an assignment or transfer of a Debt in default.
- f. **“Debt”** means any obligation or alleged obligation of a Consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.
- g. **“Debt Buyer”** means any entity or person that purchases a portfolio of defaulted Debts.
- h. **“Debt Seller”** means any entity or person that sells portfolios of defaulted Debts.
- i. **“Effective Date”** means the date on which this Consent Order is issued.
- j. **“Enforcement Director”** means the Assistant Director of the Office of Enforcement for the Bureau, or his delegate.
- k. **“Original Account-Level Documentation”** means:
 - i. any documentation that a Creditor or that Creditor’s agent (such as a servicer) provided to a Consumer about a Debt; or
 - ii. a complete transactional history of a Debt, created by a Creditor or that Creditor’s agent (such as a servicer).
- l. **“Purchase Contract”** means any document that sets forth terms and conditions governing a Debt Buyer’s purchase of defaulted Debts.

- m. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement proceeding by another governmental agency brought against Respondents based on substantially the same facts as described in this Consent Order.
- n. **“Respondents”** means Pressler & Pressler, LLP, Sheldon H. Pressler, and Gerard J. Felt and their successors and assigns.

IV

Bureau Findings and Conclusions

The Bureau finds the following:

1. Pressler & Pressler is a law Firm headquartered in Parsippany, New Jersey that undertakes debt-collection litigation in New Jersey, New York, and Pennsylvania.
2. Founded in 1930, the Firm holds itself out as the largest and oldest law Firm specializing in retail debt collection in New Jersey.
3. At all times relevant to this Consent Order, Respondents have collected Debt related to consumer-financial products or services. Accordingly, each respondent is a “covered person” under the CFPA, 12 U.S.C. § 5481(6). Each respondent is also a “debt collector” as defined in Section 803(6) of the FDCPA. 15 U.S.C. § 1692a(6).
4. Sheldon H. Pressler and Gerard J. Felt (collectively the Partners) are partners of the Firm who each had managerial responsibility for the Firm and materially participated in the conduct of its debt-collection litigation practices. The Partners

are thus “related persons” and “covered persons” under the CFPA. 12 U.S.C. § 5481(25)(B), (C)(i)-(ii).

5. At all times relevant to this Consent Order, the Firm’s law practice has been primarily devoted to retail or consumer debt collection on behalf of various Creditor and Debt Buyer clients.
6. Respondents regularly represent clients in litigation to collect Debts and have filed more than 500,000 lawsuits against consumers, on behalf of clients, between 2009 and 2014.
7. The Firm's collection complaints bore the names and signatures of attorneys who had not reviewed Original Account-Level Documentation prior to making the decision to initiate the lawsuits or in the preparation of the pleadings.
8. Respondents’ debt-collection litigation activities relied substantially on a non-attorney support staff that far outnumbered the Firm’s attorneys, along with a proprietary collection software system that the Firm uses to automate, review, and ensure compliance with its processes for receiving and preparing new lawsuits for its clients.
9. Most accounts that are placed with Respondents for collection are transmitted through an electronic system using a collection software network such as “You Got Claims,” a network used by many of Respondents’ clients.
10. For such electronically transmitted claims, Respondents normally received only either an Excel spreadsheet or a text file containing specific data regarding each account, or claim for a Debt.

11. The data included in these submissions is provided in summary form only and documentation supporting the data was not included. Respondents open new files based on this summary data. Respondents' computer system automatically populates each new file with the data received from clients' submissions.
12. After initial review of the summary data by Respondents' computer systems, intended to determine whether the alleged debtor is deceased or has declared bankruptcy, among other things, Respondents send an initial notice letter to the consumer. If that letter does not generate a payment, additional computer "scrubs" are performed, following which Respondents' pre-filing review of the information submitted to them is completed by non-attorney support staff in Respondents' "Approve for Suit Department." Those persons act pursuant to policies established by the individual respondents.
13. Once the "Approve for Suit Department" determines that the Firm's policies and guidelines allow it to proceed with litigation regarding a particular account, a separate group of non-attorney support staff known as the "Summons and Complaint Team" generates a summons and complaint from template forms previously approved by the Firm's attorneys. In creating the summons and complaint, the staff relies on the summary data the client provided and the results of the pre-filing claim reviews.
14. The Firm designated an attorney to review each summons and complaint prior to filing. The designated attorney, whom Respondents call the "signing attorney," compared each summons and complaint against the summary data provided by

the client to determine whether the new claim remains ready to proceed to litigation and whether the information in the summons and complaint matches the summary data.

15. The signing attorney generally spent less than a few minutes, sometimes less than 30 seconds, reviewing each summons and complaint before approving the filings and directing that a lawsuit be initiated.
16. At the time of the signing attorney's review, the signing attorney did not have access to sufficient documentation to confirm the validity of the summary data provided by the client. Nor does any other Firm employee generally review sufficient Original Account-Level Documentation at any time prior to the filing of suit. In many cases, Respondents do not obtain such documentation from clients, relying instead solely on the summary data.
17. The Firm filed the majority of the lawsuits against consumers on behalf of Debt Buyers. Those Debt Buyers often could not support their collection activities with basic documents, such as the original contracts underlying the alleged debts, documentation of the consumer's alleged obligation, or the chain of title evidencing that the debt buyer actually owned the debt and thus had standing to sue the consumer. Respondents filed the lawsuits without independently investigating or verifying support for the suits, including whether the facts alleged were true, and in instances where they had information that the facts alleged were unsupported, including but not limited to where:

- a. Consumers disputed, challenged, or questioned the validity or accuracy of the debt and Defendants failed to obtain Original Account-Level Documentation before continuing collecting on that account; or
- b. Respondents had knowledge or reason to believe, based on the Firm's past course of dealing with its clients' accounts (including factors such as consumer disputes, inaccurate or incomplete information in the portfolio, and contractual disclaimers related to the accounts) that a specific portfolio of the client's accounts might contain unreliable data, but continued to represent that consumers owed the claimed amount on the accounts in question without obtaining and reviewing Original Account-Level Documentation.

Violations of the FDCPA and the CFPA

18. Section 807 of the FDCPA prohibits a debt collector from using "any false, deceptive, or misleading representation or means in connection with the collection of any debt." 15 U.S.C. § 1692e. Section 807(10) of the FDCPA specifically prohibits a debt collector from using "any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer." 15 U.S.C. § 1692e(10). Section 807(3) of the FDCPA specifically prohibits a debt collector from making a "false representation or implication that any individual is an attorney or that any communication is from an attorney." 15 U.S.C. § 1692e(3).

19. Section 808 of the FDCPA prohibits a debt collector from using “unfair or unconscionable means to collect or attempt to collect any debt.” 15 U.S.C. § 1692f.
20. Sections 1031 and 1036(a)(1)(A) of the CFPB prohibit covered persons from violating federal consumer financial law. 12 U.S.C. §§ 5531, 5536(a)(1)(A).
21. Sections 1031 and 1036(a)(1)(B) of the CFPB prohibit covered persons from engaging “in any unfair, deceptive, or abusive act or practice” in violation of the CFPB. 12 U.S.C. §§ 5531, 5536(a)(1)(B).
22. Respondents are “debt collectors” under the FDCPA and “covered persons” under the CFPB.

False or Unsubstantiated Representations About Owing a Debt

23. As described in Paragraphs 4 through 22, in numerous instances, Respondents represented, directly or indirectly, expressly or by implication, that consumers owed debts to various clients with certain unpaid balances, interest rates, and payment due dates. Respondents further represented to consumers directly or indirectly, expressly or by implication, that Respondents had a reasonable basis for those representations.
24. In numerous instances the representations set forth in Paragraph 23 were not substantiated at the time the representations were made, including but not limited to where:
 - a. Consumers disputed, challenged, or questioned the validity or accuracy of the debt and Respondents failed to obtain Original Account-Level Documentation before continuing collecting on that account; or

b. Respondents had knowledge or reason to believe, based on its past course of dealing with its clients' accounts (including factors such as consumer disputes, inaccurate or incomplete information in the portfolio, and contractual disclaimers related to the accounts) that a specific portfolio of clients' accounts might contain unreliable data, but continued to represent that consumers owed the claimed amount on the accounts in question without reviewing Original Account-level Documentation.

25. The representations are material because they are likely to affect a consumer's choice or conduct regarding how to respond to an allegedly outstanding debt and are likely to mislead consumers.

26. Respondents' representations are false or misleading and constitute deceptive acts or practices in violation of Section 807(10) of the FDCPA, 15 U.S.C. § 1692e(10), as well as Sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B).

27. The FDCPA violations asserted in Paragraph 26 constitute violations of Section 1036(a)(1)(A) of the CFPA. 12 U.S.C. § 5536(a)(1)(A).

Unfair Litigation Activities

28. As described in Paragraphs 4 through 22, in connection with the Firm's debt-collection litigation activities, Respondents have unfairly collected or attempted to collect a debt by in many instances relying exclusively on summary data provided by clients without having reviewed supporting documentation underlying the facts the Firm asserts in complaints.

29. Respondents' practice of filing lawsuits that relied exclusively on summary data for the facts asserted in the complaints was an unfair or unconscionable means used to collect or attempt to collect debts.
30. Respondents' acts and practices constitute violations of Section 808 of the FDCPA, 15 U.S.C. § 1692f.
31. The FDCPA violations asserted in Paragraph 30 constitute violations of Section 1036(a)(1)(A) of the CFPA, 12 U.S.C. § 5536(a)(1)(A).
32. These practices are likely to cause substantial injury to consumers, for example by imposing costs in defending improperly filed or outright erroneous lawsuits.
33. These injuries are not reasonably avoidable by consumers because, among other things, when a consumer is sued, he or she must defend or otherwise respond to the lawsuit, or else face a default judgment. Likewise, these injuries are not outweighed by any countervailing benefits to consumers or competition.
34. Respondents' acts and practices constitute violations of Sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B).

ORDER

V

Conduct Provisions

IT IS ORDERED, under sections 1053 and 1055 of the CFPA, that:

35. Respondents and any of the Firm's officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Consent Order, whether acting directly or

indirectly, may not violate Sections 807(3), 807(10), and 808 of the FDCPA, 15 U.S.C. §§ 1692e(3), 1692e(10), and 1692f, or Sections 1031(a) and 1036(a) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a).

**Prohibiting Debt-Collection Litigation Activities
Without a Reasonable Basis**

36. Respondents and any of the Firm's officers, agents, servants, or employees, and all other persons in active concert or participation with any of them, who receive actual notice of this Consent Order, whether acting directly or indirectly, are permanently restrained and enjoined from threatening or initiating a Collection Suit where Respondents do not have in their possession the following:

- a. Original Account-Level Documentation reflecting, at a minimum, the Consumer's name, the last four digits of the account number associated with the Debt at the time of Charge-off (if such Creditor-assigned account number exists), the claimed amount, excluding any post Charge-off payments (unless the claimed amount is higher than the Charge-off Balance, in which case Respondents must possess (i) Original Account-Level Documentation reflecting the Charge-off Balance, (ii) an explanation of how the claimed amount was calculated and why such increase is authorized by the agreement creating the Debt or permitted by law), and if Respondents are suing under a breach of contract theory, the contractual terms and conditions applicable to the Debt;

- b. A chronological listing of the names of all prior owners of the Debt and the date of each transfer of ownership of the Debt, beginning with the name of the Creditor at the time of Charge-off, if Respondents are initiating a Collection Suit on behalf of a Debt Buyer;
- c. A certified or otherwise properly authenticated copy of each bill of sale or other document evidencing the transfer of ownership of the Debt at the time of Charge-off to each successive owner, including the Debt Buyer on whose behalf Respondents initiate a Collection Suit. Each of the documents evidencing the transfer of ownership of the Debt must include a specific reference to the particular Debt being collected upon; and
- d. Any one of the following:
 - i. A document signed by the Consumer evidencing the opening of the account forming the basis for the Debt; or
 - ii. Original Account-Level Documentation reflecting a purchase, payment, or other actual use by the Consumer.

37. Respondents and any of the Firm's officers, agents, servants, or employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Consent Order, whether acting directly or indirectly, are permanently restrained and enjoined from initiating a Collection Suit against any Consumer where:

- a. an attorney whose name appears on the complaint in the Collection Suit has not logged into the Consumer's account on Respondent's computerized account management system or any other software that would create an electronic record that the attorney of record has accessed a Consumer's file;
- b. a Firm attorney has not reviewed Original Account-Level Documentation reflecting, at a minimum, the Consumer's name, the last four digits of the account number associated with the Debt at the time of Charge-off (if such a Creditor-assigned account number exists), the claimed amount, excluding any post Charge-off payments, and if Respondents are suing under a breach of contract theory, the contractual terms and conditions applicable to the Debt;
- c. a Firm attorney has not reviewed a certified or otherwise properly authenticated copy of each bill of sale or other document and confirmed that it evidences the transfer of ownership of the Debt at the time of Charge-off to each successive owner, including the Debt Buyer on whose behalf Respondents initiate a Collection Suit;
- d. a Firm attorney has not reviewed one of the following:
 - i. A document signed by the Consumer evidencing the opening of the account forming the basis for the Debt; or
 - ii. Original Account-Level Documentation reflecting a purchase, payment, or other actual use by the Consumer.

- e. a Firm attorney has not confirmed that the statute of limitations has not run on the Consumer's Debt;
- f. a Firm attorney has not confirmed based upon methods or means proven to be historically reliable and accurate that the Consumer's Debt was not discharged in bankruptcy or subject to a pending bankruptcy proceeding;
- g. a Firm attorney has not confirmed based upon methods or means proven to be historically reliable and accurate the Consumer's correct identity and current address and, in the case of an action to enforce an interest in real property securing the consumer's obligation, the location of such real property, to determine the appropriate venue for a Collection Suit; or
- h. an attorney whose name appears on the complaint in the Collection Suit has not certified in writing or in Respondent's computerized account management system or any other software that would create an electronic record that the initiation of the Collection Suit complies with the terms and conditions of this Consent Order.

38. Respondent shall maintain effective processes, systems, and controls, and maintain adequate numbers of employees, to comply with Paragraphs 36-37.

Prohibiting the Use of Deceptive Affidavits

39. In connection with a Collection Suit, Respondents and any of the Firm's officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this

Consent Order, whether acting directly or indirectly, are permanently restrained and enjoined from:

- a. submitting to a court any affidavit in which it knows or should know an affiant represents, expressly or by implication, having personal knowledge of the validity, truth, or accuracy of the character, amount, or legal status of any Debt where that is not the case;
- b. submitting any affidavit in which the affiant represents, expressly or by implication, that the affidavit has been notarized if it knows or should know that the affidavit was not executed by the affiant in the presence of a notary;
- c. submitting any affidavit it knows or should know contains an inaccurate statement, including but not limited to a statement that attached documentation relates to the specific Consumer being sued when that is not the case;
- d. submitting any affidavit in which it knows or should know that the affiant misrepresents the affiant's review of any Original Account-Level Documentation or any other documentation that would support the Debt that is the subject of the Collection Suit;
- e. submitting any affidavit in which the affiant represents, expressly or by implication, that the affiant has personally reviewed the affidavit, when it knows or should know that is not the case; or

- f. submitting any affidavit, unless an attorney whose name appears on the complaint in the Collection Suit has certified in writing or in the Firm's software that would create an electronic record that submitting the affidavit complies with the terms and conditions of this Order.

Prohibiting Certain Pre-Judgment Discovery Practices

40. In connection with a Collection Suit, Respondents, and all other persons in active concert or participation with any of them who receive actual notice of this Consent Order, whether acting directly or indirectly, are permanently restrained and enjoined from using any pre-judgment litigation discovery device to seek or obtain information, such as asset discovery, intended to be used for the purpose of any post-judgment collection effort.

Additional Conduct Provisions

41. The Firm will maintain policies and procedures requiring that the Firm and its employees comply with the requirements of this Consent Order and the applicable ethical and procedural requirements for the submission of truthful and accurate evidence in connection with a Collection Suit.
42. For court pleadings used on a frequent or repetitive basis, the Firm shall implement effective processes, systems, management oversight, and controls to review and approve standardized templates that comply with applicable laws, rules, court procedures, and the terms of this Consent Order. The Firm shall document such processes, systems, and controls in writing and will make such documentation available to the Firm's employees.

43. In connection with a Collection Suit, any attorney's fees that the Firm seeks shall be authorized by law and consistent with the contractual terms and conditions applicable to the Debt and the applicable rules of professional responsibility.
44. In seeking a default judgment in connection with a Collection Suit, the Firm shall tender to the court relevant information and documentation to support its client's claims, unless prohibited by law or court rule, including all the information and documentation that Respondent is required to possess under this Consent Order.
45. In connection with a Collection Suit, the Firm shall maintain effective processes, systems, and controls to prohibit the assessment of fees, expenses, and other charges that are not in accordance with the contractual terms and conditions and applicable law.

Implementation Schedule

46. Notwithstanding the foregoing, with regard to Collection Suits filed by Respondent after the Effective Date, Respondent must take all steps necessary to fully implement all of the requirements and restrictions described in Paragraphs 36 through 45 within 90 days of the Effective Date.

VI

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

47. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the alleged violations of law described in Section IV of this Consent Order, and taking into

account the factors in 12 U.S.C. § 5565(c)(3), Respondents must pay, jointly and severally, a civil money penalty of \$1,000,000 to the Bureau.

48. Within 10 days of the Effective Date, Respondents must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
49. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by section 1017(d) of the CFPB, 12 U.S.C. § 5497(d).
50. Respondents must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondents may not:
 - a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
 - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
51. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondents may not argue that Respondents are entitled to, nor may Respondents benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in any Related

Consumer Action grants such a Penalty Offset, Respondents must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

VII

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

52. In the event of any default on Respondents' obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
53. Respondents must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondents.
54. Under 31 U.S.C. § 7701, Respondents, unless they already have done so, must furnish to the Bureau their taxpayer-identification numbers or social-security numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
55. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondents must notify the Enforcement Director of the final judgment, consent order, or settlement in writing. That notification

must indicate the amount of redress, if any, that Respondents paid or are required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

VIII

Reporting Requirements

IT IS FURTHER ORDERED that:

56. Respondents must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company to the Firm; the creation or dissolution of a Firm subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondents; or a change in a Respondent's name or address. Respondents must provide this notice as soon as practicable after learning about the development or at least 30 days before the development is finalized, whichever is sooner.
57. Within 7 days of the Effective Date, Respondents must:
 - a. designate at least one telephone number and email, physical, and postal address as a point of contact, which the Bureau may use to communicate with the Respondents;

- b. identify all businesses for which Respondents are the majority owner, or that Respondents directly or indirectly control, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses;
- c. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales;
- d. identify each of the Partners' telephone numbers and all email, Internet, physical, and postal addresses, including all residences; and
- e. describe in detail each Partners' involvement in any business for which any of them performs services in any capacity or which he wholly or partially owns, including that Partners' title, role, responsibilities, participation, authority, control, and ownership.

58. Within 90 days of the Effective Date, and again one year after the Effective Date,

Respondents must submit to the Enforcement Director an accurate written compliance progress report (Compliance Report), which, at a minimum:

- a. Describes in detail the manner and form in which Respondents have complied with this Consent Order; and
- b. Attaches a copy of each Order Acknowledgment obtained under Section VIII, unless previously submitted to the Bureau.

IX

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

59. Within 7 days of the Effective Date, Respondents must submit to the Enforcement Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.
60. Within 30 days of the Effective Date, Respondents must deliver a copy of this Consent Order to each of the Firm's board members and executive officers, as well as to any managers, employees, Service Providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.
61. For 5 years from the Effective Date, Respondents must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section VII, any future board members and executive officers, as well as to any managers, employees, Service Providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
62. Respondents must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

X

Recordkeeping

IT IS FURTHER ORDERED that:

63. Respondents must create, or if already created, must retain for at least 5 years from the Effective Date, the following business records:

- a. All documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

64. Respondents must retain the documents identified in Paragraph 63 for at least 5 years.

XI

Notices

IT IS FURTHER ORDERED that:

65. Unless otherwise directed in writing by the Bureau, Respondents must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “In re Pressler & Pressler, LLP, File No. 2016-CFPB-0009,” and send them either:

- a. by overnight courier (not the U.S. Postal Service), as follows:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1625 Eye Street, N.W.
Washington D.C. 20006; or

- b. by first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1700 G Street, N.W.
Washington D.C. 20552

XII

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

66. Respondents must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondents must provide truthful and complete information, evidence, and testimony. Respondents must cause the Firm's officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 10 business days written notice, or other reasonable notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XIII

Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondents' compliance with this Consent Order:

67. Within 14 days of receipt of a written request from the Bureau, Respondents must submit additional Compliance Reports or other requested information, which

must be made under penalty of perjury; provide sworn testimony; or produce documents.

68. For purposes of this Section, the Bureau may communicate directly with Respondents, unless Respondents retain counsel related to these communications.

69. Respondents must permit Bureau representatives to interview any employee or other person affiliated with Respondents who has agreed to such an interview. The person interviewed may have counsel present.

70. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XIV

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

71. Respondents may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.

72. The Enforcement Director may, in his/her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

XV

Administrative Provisions

73. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent.
74. The Bureau releases and discharges Respondents from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondents and affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
75. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under section 1053 of the CFPB, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
76. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondents. If such action is dismissed or the relevant


adjudicative body rules that Respondents did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

77. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
78. Should Respondents seek to transfer or assign all or part of their operations that are subject to this Consent Order, Respondents must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
79. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondents wherever Respondents may be found and Respondents may not contest that court's personal jurisdiction over Respondents.
80. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises,

representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

81. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing the Respondents, the Firm's officers or its employees, to violate any law, rule, or regulation.

IT IS SO ORDERED, this 25th day of April, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau