UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING File
No. 2022-CFPB-0003

In the Matter of: RAM Payment, LLC, also doing business as Reliant; Account Management Systems, LLC, formerly known as Reliant Account Management; Gregory Winters; and Stephen Chaya	**CONSENT ORDER**

The Consumer Financial Protection Bureau (Bureau) has reviewed the payment-processing and account-maintenance activities of RAM Payment, LLC; Account Management Systems, LLC (AMS); Gregory Winters; and Stephen Chaya (Respondents, as defined below) and has identified the following law violations: substantially assisting violations of the Telemarketing Sales Rule (TSR), 16 C.F.R. Part 310, by Telemarketers and Sellers who requested or accepted Advance Fees for Debt Relief Services, in violation of 16 C.F.R. § 310.3(b); deceptive acts or practices in violation of the Consumer Financial

Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), 5536(a)(1)(B), while offering Payment Processing Services and Account Maintenance Services to consumers enrolled in Debt Relief Services; and unfair acts or practices in violation of the CFPA when disbursing consumer payments, 12 U.S.C. § 5531(a), (c), 5536(a)(1)(B). Under §§ 1053 and 1055 of the 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 and 5565; and §§ 3 and 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6102(c), 6105(d).

II.

Stipulation

2. Respondents have executed a "Stipulation and Consent to the Issuance of a Consent Order," dated May 4, 2022 and May 6, 2022 (Stipulation), 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 facts necessary to establish the Bureau's jurisdiction over Respondents and the subject matter of this action.

III.

Definitions

3. The following definitions apply to this Consent Order:

a. "Account Maintenance Services" means holding or maintaining an account on behalf of any Person, or providing a Person, directly or indirectly, with the means to manage, track, or create reports on an account, whether accomplished through the use of software or otherwise.

b. "Advance Fee" means any fee or consideration requested or received by a Debt Relief Service Provider from a consumer for any Debt Relief Service, whether directly or indirectly, that occurs before:

i. the Debt Relief Service Provider has renegotiated, settled, reduced, or otherwise altered the terms of a debt pursuant to a settlement agreement, debt management plan, or other valid contractual agreement executed by the consumer; and

ii. the consumer has made at least one payment pursuant to that settlement agreement, debt management plan, or other valid contractual agreement between the consumer and the creditor or debt collector.

c. "Affected Consumers" includes all consumers who, at any time during the Relevant Period, pursuant to an account-servicing agreement with Corporate Respondents in connection with the provision of Student Loan Debt Relief Services, paid fees into a dedicated account managed by Corporate Respondents.

d. "AMS" means Account Management Systems, LLC f/k/a Reliant Account Management and its successors and assigns.

e. "Assisting Others" includes, but is not limited to:

   i. consulting in any form whatsoever;

   ii. providing administrative support services;

   iii. performing customer service functions, including but not limited to, receiving or responding to consumer complaints;

   iv. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including but not limited to, any telephone sales script, direct mail solicitation, or the text of any Internet website, email, or other electronic communication or advertisement;

   v. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain

name registration for any Internet websites, affiliate marketing services, or media placement services;

vi. providing names of, or assisting in the generation of, potential customers;

vii. performing marketing, billing, or payment services of any kind; and

viii. acting or serving as a controlling owner, officer, director, manager, or principal of any entity.

f. "Corporate Respondents" means RAM Payment and AMS, individually, collectively, or in any combination.

g. "Debt Relief Service" means any program or service represented, directly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt between a Person and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a Person to an unsecured creditor or debt collector, as defined in 16 C.F.R. § 310.2(o).

h. "Debt Relief Service Provider" or "DRSP" means any Person that offers or provides any Debt Relief Service.

i. "Effective Date" means the date on which the Consent Order is entered on the administrative docket.

j. "Enforcement Director" means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his or her delegate.

k. "Individual Respondents" means Gregory Winters and Stephen Chaya, individually, collectively, or in any combination, and each of them by any other names by which they might be known.

l. "Legal Plan Provider" means any Person that offers or provides ancillary services in connection with Debt Relief Services that are represented to provide consumers receiving Debt Relief Services with access to legal services, including but not limited to defending debt collection actions brought by consumers' creditors and bringing affirmative lawsuits on behalf of consumers against creditors.

m. "Legal Plan Membership" means any ancillary service offered or provided by Legal Plan Providers that is represented to provide consumers with access to legal services, including but not limited to defending debt collection actions brought by consumers' creditors, bringing affirmative lawsuits on behalf of consumers against creditors, or pre-litigation services such as representing or advising consumers in negotiations with creditors.

n. "Payment Processing Service" means providing a Person, directly or indirectly, with the means used to charge or debit accounts through any payment mechanism, including ACH Debits. Payment Processing Services include, no matter how performed: (a) reviewing or approving applications of DRSPs to be customers of Corporate Respondents; (b) providing the means to transmit consumer payment transaction data to acquiring banks and/or other financial institutions; (c) clearing, settling, or distributing consumer payments from acquiring banks or financial institutions to DRSPs or other Persons; or (d) processing returned payments.

o. "Person" means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity, as defined in 16 C.F.R. § 310.2(y).

p. "RAM Fees" means any consumer fees authorized by an account-servicing agreement between consumers and Corporate Respondents that were paid to Corporate Respondents.

q. "RAM Payment" means RAM Payment, LLC d/b/a Reliant and its successors and assigns.

r. "Related Consumer Action" means a private action by or on behalf of one or more consumers or an enforcement action by another

governmental agency brought against any Respondent based on substantially the same facts as described in Section IV of this Consent Order.

s. "Relevant Period" includes from January 1, 2016 to the Effective Date.

t. "Respondents" means all the Individual Respondents and Corporate Respondents, individually, collectively, or in any combination.

u. "Seller" means any Person who, in connection with a Telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration, as defined in 16 C.F.R. § 310.2(dd).

v. "Student Loan Debt Relief Service" means a Debt Relief Service in connection with a consumer's student loan debt.

w. "Student Loan Debt Relief Service Provider" or "Student Loan DRSP" means a Debt Relief Service Provider that provides Debt Relief Services solely in connection with consumers' student loan debt.

x. "Telemarketer" means any Person who, in connection with Telemarketing, initiates or receives telephone calls to or from a customer or donor, as defined in 16 C.F.R. § 310.2(ff).

y. "Telemarketing" means a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable

contribution, by use of one or more telephones and which involves more than one interstate telephone call, as defined in 16 C.F.R. § 310.2(gg).

z. "Traditional Debt Relief Service Provider" or "Traditional DRSP" means a Debt Relief Service Provider that is not a Student Loan Debt Relief Service Provider.

IV.

Bureau Findings and Conclusions

The Bureau finds the following:

4. RAM Payment is a Knoxville, Tennessee-based limited-liability company organized under the laws of Delaware. Since January 4, 2019, RAM Payment has offered Account Maintenance Services and Payment Processing Services to Debt Relief Service Providers and consumers enrolled in Debt Relief Services.

5. AMS is a Knoxville, Tennessee-based limited-liability company organized under the laws of Tennessee. Until AMS sold its assets to RAM Payment on January 4, 2019, AMS operated as Reliant Account Management and offered Account Maintenance Services and Payment Processing Services to Debt Relief Service Providers and consumers enrolled in Debt Relief Services.

6. Account Maintenance Services and Payment Processing Services are consumer-financial services under the CFPA. 12 U.S.C. § 5481(5), (15)(A)(iv), and (15)(A)(viii)(II). Thus, each Corporate Respondent is a "covered person" under 12 U.S.C. § 5481(6).

7. Gregory Winters co-founded AMS and was RAM Payment and AMS's president. Until at least August 2021, Winters exercised managerial responsibility for Corporate Respondents, participated in the conduct of their affairs, and exercised substantial control over their business practices.

8. Stephen Chaya co-founded AMS and was RAM Payment's Vice President and Chief Administration Officer and AMS's Vice President. Until at least December 2021, Chaya exercised managerial responsibility for Corporate Respondents, participated in the conduct of their affairs, and exercised substantial control over their business practices.

9. Each Individual Respondent is a "related person" under 12 U.S.C. § 5481(25)(C)(i)-(ii) and is thus also a "covered person" under the CFPA. 12 U.S.C. § 5481(25)(B).

10. During the Relevant Period, Corporate Respondents have provided Account Maintenance Services and Payment Processing Services in connection with Debt Relief Services to about 270,000 consumers doing business with at

least 30 Student Loan Debt Relief Service Providers and at least 20 other Traditional Debt Relief Service Providers.

11. These Debt Relief Service Providers have marketed and sold by telephone student-loan and other Debt Relief Services to consumers throughout the United States.

12. Debt Relief Service Providers to which Corporate Respondents provided services were Sellers under the TSR because "in connection with a telemarketing transaction," they provided Debt Relief Services in exchange for consumer payment. *See* 16 C.F.R. § 310.2(dd).

13. Debt Relief Service Providers to which Corporate Respondents provided services were Telemarketers under the TSR because "in connection with telemarketing" they initiated or received telephone calls to or from customers. *See* 16 C.F.R. § 310.2(ff).

14. Before providing services to each Debt Relief Service Provider, Corporate Respondents determined that the Debt Relief Service Provider was a Telemarketer or Seller that offered consumers Debt Relief Services.

15. Consumers who enrolled in Debt Relief Services with these Debt Relief Service Providers entered into separate account-servicing agreements with Corporate Respondents. Under these agreements, in exchange for

consumers' RAM Fees, Corporate Respondents established and maintained dedicated accounts for consumers.

16. Consumers made payments for Debt Relief Services into these dedicated accounts, and Corporate Respondents disbursed those fees from the dedicated accounts to, among others, Debt Relief Service Providers and other affiliated businesses.

Findings and Conclusions as to Respondents' Assisting and Facilitating Student Loan DRSPs Violations of the TSR's Advance Fee Prohibition

17. The Student Loan Debt Relief Service Providers to which Corporate Respondents provided services prepared and submitted paperwork for consumers to the U.S. Department of Education in support of applications for loan consolidation, income-driven repayment plans (IDR), and other debt-relief options available to consumers with federal student loans. For these services, the Student Loan Debt Relief Service Providers charged consumers a fee that was sometimes over $1,000. The Student Loan Debt Relief Service Providers requested or required that consumers make fee payments into accounts maintained by Corporate Respondents.

18. Corporate Respondents collected these fees from consumers for Debt Relief Services and held them in the dedicated accounts Corporate Respondents

maintained for consumers. Corporate Respondents never collected, held, or disbursed funds to pay consumers' student-loan creditors.

19. Corporate Respondents disbursed fees to Student Loan DRSPs for Debt Relief Services before those Student Loan DRSPs had renegotiated student loan debt and before consumers had made at least one payment pursuant to a settlement agreement. Specifically:

a. Generally, Corporate Respondents automatically disbursed to Student Loan Debt Relief Service Providers fees that consumers paid two days after Corporate Respondents received "proof of performance" documentation from the Student Loan Debt Relief Service Providers. The "proof of performance" documentation did not indicate whether a consumer had made a payment on an altered student-loan debt, and Corporate Respondents did not review any other documentation to determine whether consumers had made a first payment after their student-loan debt had been altered.

b. Some of the Student Loan Debt Relief Service Providers to which Corporate Respondents provided services also charged consumers additional fees—either monthly or annually—for later submission of recertification paperwork to the Department of Education. If consumers who were already enrolled in an IDR plan did not recertify their income

on an annual basis, they may have been unenrolled from the IDR plan and their monthly student loan payments may have increased. Until around mid-2019, Corporate Respondents automatically disbursed these fees if they had obtained "proof of performance" documentation in connection with a consumer's initial enrollment in an IDR plan.

c. And from January 2018 until about mid-2019, Corporate Respondents automatically released consumers' fees for certain Student Loan Debt Relief Service Providers as early as 60 or 75 days after a consumer's first deposit. But Respondents estimated that it would typically take a consumer 75 days or more from their first deposit to make a payment on a consolidated loan or under an IDR Plan.

20. Section 310.3(b) of the TSR prohibits a Person from providing "substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any act or practice that violates" the TSR's prohibition against requesting or requiring payments of Advance Fees for Debt Relief Services. *See* 16 C.F.R. § 310.3(b).

21. As described in Paragraph 17, Student Loan DRSPs to which Corporate Respondents provided services offered Debt Relief Services under the TSR

because they offered to renegotiate, settle, or alter the terms of payments of consumers' federal student loans. *See* 16 C.F.R. § 310.2(o).

22. Under the TSR, so long as certain conditions are met, Sellers and Telemarketers may request or require a consumer to place funds into an account to be used for both a Debt Relief Service Provider's fees and for payments to creditors or debt collectors in connection with the settlement of a debt. But, as described Paragraphs 17-18, Student Loan DRSPs to which Corporate Respondents provided services requested or required that consumers place funds into accounts that were maintained by Corporate Respondents and used only for Student Loan DRSPs' fees and not used for payments to creditors.

23. Under the TSR, Sellers and Telemarketers may not request or receive payment for Debt Relief Services until and unless they have, among other things, "renegotiated, settled, reduced or otherwise altered the terms of at least one debt pursuant to a settlement agreement" and the consumer "has made at least one payment pursuant to that settlement agreement." 16 C.F.R. § 310.4(a)(5)(i). But, as described in Paragraph 19, Student Loan DRSPs to which Corporate Respondents provided services received payment for Debt Relief Services before they had renegotiated student loan debt or before

consumers had made "at least one payment" pursuant to a settlement agreement.

24. As described in Paragraphs 22 and 23, Student Loan DRSPs to which Corporate Respondents provided services violated the TSR, 16 C.F.R. § 310.4(a)(5).

25. Corporate Respondents provided substantial assistance to Student Loan DRSPs by providing Payment Processing Services and Account Maintenance Services. Specifically, Corporate Respondents disbursed fees to Student Loan Debt Relief Service Providers before consumers had made loan payments under either loan consolidations, IDR plans, or recertified IDR plans obtained with the assistance of Student Loan Debt Relief Service Providers.

26. Individual Respondents provided substantial assistance to Student Loan DRSPs through their management and facilitation of Corporate Respondents' Payment Processing Services and Account Maintenance Services.

27. Because Respondents designed and implemented policies and procedures that permitted Student Loan DRSPs to take Advance Fees in violation of the TSR, and managed accounts showing that Student Loan DRSPs took fees for accounts before Respondents themselves estimated that the fees could be

paid under the TSR, Respondents either knew or consciously avoided knowing that Student Loan DRSPs engaged in conduct that violated the TSR, 16 C.F.R. § 310.4(a)(5)(i).

28. Thus, Respondents' activities, as described in Paragraphs 25-27 constitute substantial assistance of Telemarketers and Sellers' violations of the TSR in violation of 16 C.F.R. § 310.3(b).

Findings and Conclusions as to Assisting and Facilitating Debt Relief Service Providers' and Legal Plan Providers' TSR Violations

29. Some Traditional Debt Relief Service Providers to which Corporate Respondents provided services also marketed and enrolled consumers in Legal Plan Memberships. These Traditional DRSPs entered into agreements with Legal Plan Providers requiring the Traditional DRSP to offer Legal Plan Memberships when selling their own Debt Relief Services.

30. For an initial enrollment fee and later monthly fees, Legal Plan Providers purported to provide consumers with Legal Plan Memberships. Legal Plan Providers and Traditional DRSPs to which Corporate Respondents provided services represented that Legal Plan Memberships would provide consumers with access to attorneys who could, among other things, settle consumer debts with unsecured creditors who only negotiate with lawyers. Certain Traditional DRSPs or Legal Plan Providers also represented that Legal Plan

Memberships were included in the cost of the Traditional Debt Relief Service Providers' Debt Relief Services or were essential for the Traditional DRSP to effectively settle consumers' debts.

31. Respondents were aware of the representations that Legal Plan Providers and Traditional DRSPs made to consumers about Legal Plan Memberships and Debt Relief Services.

32. These Legal Plan Memberships were Debt Relief Services under the TSR because the Traditional DSRPs or Legal Plan Providers represented either that Legal Plan Memberships included services to renegotiate, settle, or alter the terms of consumers' debts with unsecured creditors, or were an essential part of a service to renegotiate, settle, or alter the terms of consumers' debts with unsecured creditors. *See* 16 C.F.R. § 310.2(o).

33. Corporate Respondents collected payments from consumers for enrollment and monthly fees for Legal Plan Memberships and immediately disbursed those fees to both Legal Plan Providers and Traditional DRSPs. Corporate Respondents disbursed these fees before consumers had made payments on debts settled through the Legal Plan Memberships or Traditional DRSPs.

34. Section 310.3(b) of the TSR prohibits a Person from providing "substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any

act or practice that violates" the TSR's prohibition against requesting or requiring payments of Advance Fees for Debt Relief Services. *See* 16 C.F.R. § 310.3(b).

35. As described in Paragraph 29, Legal Plan Providers are Sellers under the TSR because "in connection with a telemarketing transaction," they arrange through affiliate and joint-marketing agreements for Traditional DRSPs to sell Legal Plan Memberships to consumers. *See* 16 C.F.R. § 310.2(dd).

36. As described in Paragraph 33, Traditional DRSPs and Legal Plan Providers to which Corporate Respondents provided services received payment for Debt Relief Services before they had renegotiated a debt or before consumers had made "at least one payment" pursuant to a settlement agreement in violation of the TSR. 16 C.F.R. § 310.4(a)(5)(i).

37. Corporate Respondents provided substantial assistance to Traditional DRSPs and Legal Plan Providers by providing Payment Processing Services and Account Maintenance Services.

38. Individual Respondents provided substantial assistance to Traditional DRSPs and Legal Plan Providers through their management and facilitation of Corporate Respondents' Payment Processing Services and Account Maintenance Services, including by approving Corporate Respondents AMS

and RAM Payment's policies and procedures for releasing consumer fees to Traditional DRSPs and Legal Plan Providers.

39. Through their review of Traditional DRSP's marketing materials and familiarity with the debt-relief industry, Respondents either knew or consciously avoided knowing that Legal Plan Memberships provide Debt Relief Services. Because Respondents designed and implemented policies and procedures that permitted Traditional DRSPs and Legal Plan Providers to take Advance Fees, Respondents either knew or consciously avoided knowing that Traditional DRSPs and Legal Plan Providers engaged in conduct that violated the TSR, 16 C.F.R. § 310.4(a)(5)(i).

40. Thus, Respondents' activities, as described in Paragraphs 37-39 constitute substantial assistance of Telemarketers and Sellers' violations of the TSR in violation of 16 C.F.R. § 310.3(b).

Findings and Conclusions as to Assisting and Facilitating TSR Violations Relating to Corporate Respondents' Affiliation with Debt Relief Service Providers

41. As described below, Corporate Respondents were affiliated with Account Connect Limited, LLC (ACL), a company that provided financing to certain Student Loan DRSPs and Traditional DRSPs that received services from Corporate Respondents.

42. The Student Loan DRSPs and Traditional DRSPs that received ACL's funding required that consumers place funds for Debt Relief Service fees into accounts maintained by Corporate Respondents.

43. ACL provided upfront financing to approximately nine Student Loan DRSPs, which repaid ACL with fees consumers paid for Debt Relief Services. Corporate Respondents disbursed these consumer fee payments directly to ACL from consumers' accounts.

44. In 2017 and 2018, ACL provided funding to a Traditional DRSP that received Payment Processing Services and Account Maintenance Services from AMS. AMS disbursed consumer fee payments from the Traditional DRSP's customers to ACL as payment for this financing.

45. ACL indirectly had a financial interest in a Traditional DRSP that received Payment Processing Services and Account Maintenance Services from RAM Payment and free office space from AMS.

46. AMS's employees and independent contractors conducted ACL's business without compensation from ACL. AMS also provided ACL with a line of credit secured by all of ACL's assets, including ACL's consumer fee receivables.

47. Individual Respondents were also officers of ACL and were each involved in ACL's investment decisions and in its marketing to Debt Relief Service

Providers. Together with other individuals, Individual Respondents indirectly owned both AMS and ACL. Individual Respondents and the other individuals with an interest in AMS and ACL have also held the majority of board seats for RAM Payment's parent company.

48. Section 310.3(b) of the TSR prohibits a Person from providing "substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any act or practice that violates" the TSR's prohibition against requesting or requiring payments of Advance Fees for debt relief services. *See* 16 C.F.R. § 310.3(b).

49. Section 310.4(a)(5)(i) of the TSR prohibits Telemarketers or Sellers from receiving payment of any fee or consideration for any Debt Relief Service until, among other things, a consumer has made at least one payment on a debt that the Seller or Telemarketer has settled. 16 C.F.R. § 310.4(a)(5)(i).

50. Section 310.4(a)(5)(ii) of the TSR permits a Seller or Telemarketer to "request[] or require[] the customer to place funds in an account to be used for the debt relief provider's fees and for payments to creditors or debt collectors in connection with the renegotiation, settlement, reduction, or other alteration of the terms of payment or other terms of debt," so long as conditions are met, including that "[t]he entity administering the account is

not owned or controlled, or in any way affiliated with, the debt relief service." 16 C.F.R. § 310.4(a)(5)(ii)(C).

51. Traditional DRSPs and Student Loan DRSPs receiving ACL funding or indirectly owned by ACL were affiliated with Corporate Respondents.

52. Because Corporate Respondents were affiliated with these Traditional DRSPs and Student Loan DRSPs, the Traditional DRSPs and Student Loan DRSPs violated the TSR by requesting or requiring that consumers place funds for fees for Debt Relief Services in accounts managed by Corporate Respondents. *See* 16 C.F.R. § 310.4(a)(5)(ii)(C).

53. Corporate Respondents provided substantial assistance to Traditional DRSPs and Student Loan DRSPs receiving ACL funding or indirectly owned by ACL by providing Payment Processing Services and Account Maintenance Services.

54. Individual Respondents provided substantial assistance to those entities through their management and facilitation of Corporate Respondents' Payment Processing Services and Account Maintenance Services and through their personal involvement in establishing relationships between ACL and the Traditional DRSPs and Student Loan DRSPs.

55. Respondents knew of the affiliation between Corporate Respondents and Student Loan DRSPs and Traditional DRSPs receiving funding from ACL

and were or should have been aware that those Traditional DRSPs and Student Loan DRSPs engaged in conduct that violated 16 C.F.R. § 310.4(a)(5) when they requested or required that consumers make payments for fees into an account managed by Corporate Respondents.

56. Thus, Respondents' activities as described in Paragraphs 53-55 constitute substantial assistance of Telemarketers and Sellers' violations of the TSR in violation of 16 C.F.R. § 310.3(b).

Findings and Conclusions as to Assisting and Facilitating TSR Violations Relating to Paying Commissions to Third-Party Marketing Companies

57. Corporate Respondents paid several third-party marketing companies for referrals of consumer business from certain DRSPs.

58. These third-party marketing companies have been closely connected to the DRSPs for which they receive commissions for referrals. For example, one third-party marketing company is owned by a DRSP's former Chief Operating Officer and receives commissions for referrals from that DRSP. Another third-party marketing company provided upfront financing to a DRSP and received commissions for referrals of that DRSP's clients to RAM Payment.

59. Individual Respondents arranged for and negotiated these third-party marketing agreements and signed the third-party marketing agreements on behalf of Corporate Respondents.

60. Section 310.4(a)(5)(i) of the TSR prohibits Telemarketers or Sellers from receiving payment of any fee or consideration for any Debt Relief Service until, among other things, a consumer has made at least one payment on a debt that the Seller or Telemarketer has settled. 16 C.F.R. § 310.4(a)(5)(i).

61. Section 310.4(a)(5)(ii) of the TSR permits a Seller or Telemarketer to "request[] or require[] the customer to place funds in an account to be used for the debt relief provider's fees and for payments to creditors or debt collectors in connection with the renegotiation, settlement, reduction, or other alteration of the terms of payment or other terms of debt," so long as conditions are met, including that "[t]he entity administering the account does not give or accept any money or other compensation in exchange for referrals of business involving the debt relief service." 16 C.F.R. § 310.4(a)(5)(ii)(D).

62. DRSPs to which Corporate Respondents provided services requested or required that consumers place funds for their fees into accounts administered by Corporate Respondents.

63. By paying third-party marketing companies associated with DRSPs commissions for consumer referrals from the DRSPs, Corporate Respondents "gave . . . money . . . in exchange for referrals of business involving the debt relief service." *See* 16 C.F.R. § 310.4(a)(5)(ii)(D).

64. DRSPs associated with third-party marketing companies that received payments from Corporate Respondents "in exchange for referrals of business involving the debt relief service" violated the TSR by requesting or requiring that consumers place funds for fees for Debt Relief Services in accounts managed by Corporate Respondents. *See* 16 C.F.R. § 310.4(a)(5)(ii)(C).

65. Corporate Respondents provided substantial assistance to these DRSPs by providing Payment Processing Services and Account Maintenance Services.

66. Individual Respondents provided substantial assistance to these DRSPs through their management and facilitation of Corporate Respondents' Payment Processing Services and Account Maintenance Services.

67. Respondents knew that Corporate Respondents paid commissions to third-party marketing companies for DRSPs' referrals of consumer business.

68. Thus, Respondents activities, as described in Paragraphs 65-67 constitute substantial assistance of Telemarketers and Sellers' TSR violations in violation of 16 C.F.R. § 310.3(b).

Findings and Conclusions as to Deceptive Acts or Practices Regarding Corporate Respondents' Status as an Independent Third Party

69. Since at least January 1, 2016, Corporate Respondents account-servicing agreements have stated to consumers that Corporate Respondents provided services as an "independent third party."

70. But, with respect to DRSPs that received funding from or were owned by ACL, Corporate Respondents did not provide Account Maintenance Services and Payment Processing Services as independent third parties because Corporate Respondents were affiliated with the DRSPs through ACL.

71. Individual Respondents had the authority and responsibility to approve Corporate Respondents' account-servicing agreements with consumers. Chaya also drafted the initial draft of the account-servicing agreement template.

72. Section 1036(a)(1)(B) of the CFPA prohibits deceptive acts or practices. 12 U.S.C. § 5536(a)(1)(B).

73. As described in Paragraph 69, in connection with providing Account Maintenance Services and Payment Processing Services to consumers, in numerous instances, Respondents have represented, expressly or impliedly, that Corporate Respondents provided services as an "independent third party."

74. In fact, Corporate Respondents did not provide those services as independent third parties with respect to these DRSPs because Corporate Respondents were affiliated with DRSPs that received funding from ACL or DRSPs in which ACL had an indirect financial interest.

75. Therefore, Respondents engaged in deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Findings and Conclusions as to AMS and Individual Respondents' Deceptive Acts or Practices Regarding Contacting Consumers Before Disbursing Fees to Student Loan DRSPs

76. AMS's standard account-servicing agreement with consumers enrolled with Student Loan DRSPs stated that AMS would not release fees to Student Loan DRSPs until it contacted a consumer "via email, text, or mail" to confirm that the consumer was "in compliance with [the] consolidation agreement."

77. But AMS did not generally contact consumers to confirm that they were in compliance with a consolidation agreement before releasing fees to Student Loan DSRPs.

78. Individual Respondents had the authority and responsibility to approve AMS's account-servicing agreements with consumers. Chaya also drafted the initial account-servicing agreement template. Individual Respondents also had the authority and responsibility to approve, and knew of, AMS's policies and procedures for disbursing consumer fees to Student Loan DRSPs.

79. Section 1036(a)(1)(B) of the CFPA prohibits deceptive acts or practices. 12 U.S.C. § 5536(a)(1)(B).

80. As described in Paragraph 76, in connection with providing Payment Processing Services and Account Maintenance Services to consumers enrolled with Student Loan DRSPs, in numerous instances, AMS has represented, expressly or impliedly, that AMS would not release fees to Student Loan DRSPs until it contacted a consumer "via email, text, or mail" to confirm that the consumer was "in compliance with [the] consolidation agreement."

81. In fact, AMS did not generally contact consumers to confirm that they were in compliance with a consolidation agreement before releasing fees to Student Loan DSRPs.

82. Therefore, AMS, Winters, and Chaya engaged in deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Findings and Conclusions as to RAM Payment and Individual Respondents' Deceptive Acts or Practices Regarding Making a Reasonable Determination Before Disbursing Fees to Student Loan DRSPs

83. RAM Payment's account-servicing agreements with Student Loan DRSPs stated that RAM Payment would not release fees to Student Loan DRSPs

until it made a "reasonable determination" that the Student Loan DRSP had earned fees.

84. But RAM Payment did not make a "reasonable determination" that the Student Loan DRSPs had earned fees. RAM Payment never requested, received, or reviewed sufficient information from Student Loan DRSPs showing that Student Loan DRSPs were entitled to payment under 16 C.F.R. § 310.4(a)(5)(i).

85. Individual Respondents had the authority and responsibility to approve RAM Payment's account-servicing agreements with consumers. Chaya also drafted the account-servicing agreement template. Individual Respondents also had the authority and responsibility to approve, and knew of, RAM Payment's policies and procedures for disbursing consumer fees to Student Loan DRSPs.

86. Section 1036(a)(1)(B) of the CFPA prohibits deceptive acts or practices. 12 U.S.C. § 5536(a)(1)(B).

87. As described in Paragraph 83, in connection with providing Payment Processing Services and Account Maintenance Services to consumers enrolled with Student Loan DRSPs, in numerous instances, RAM Payment has represented, expressly or impliedly, that RAM Payment would not

release fees to Student Loan DRSPs until it made a "reasonable determination" that the Student Loan DRSP had earned fees.

88. In fact, RAM Payment did not make a "reasonable determination" that the Student Loan DRSP had earned fees.

89. Therefore, RAM Payment, Winters, and Chaya engaged in deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Findings and Conclusions as to Unfair Acts or Practices Regarding Disbursing Unearned Fees for Student Loan Debt Relief Services to ACL

90. Certain consumers unenrolled from or cancelled services provided by ACL-funded Student Loan DRSPs before the Student Loan DRSP had altered the terms of the consumers' student loan debts. These consumers owned the funds for Debt Relief Services held in the dedicated accounts managed by Corporate Respondents, *see* 16 C.F.R § 310.4(a)(5)(ii)(B), and upon unenrolling from or cancelling services with the Student Loan DRSP, were entitled to "all funds in the account, other than funds earned by the debt relief service . . . ." *See id.* § 310.4(a)(5)(ii)(E).

91. From 2017 until at least June 8, 2021, Corporate Respondents disbursed to ACL some of consumers' funds for unearned Debt Relief Services, often hundreds of dollars per consumer, after consumers unenrolled from or

cancelled services provided by ACL-funded Student Loan DRSPs. Corporate Respondents disbursed fees to ACL for hundreds or thousands of consumers. Respondents did not disclose to consumers that ACL provided funding to finance the Debt Relief Services consumers received. Nor did Respondents disclose that consumer-owned fees would be disbursed to ACL.

92. Individual Respondents had the authority and responsibility to approve Corporate Respondents' practices in connection with disbursing funds to ACL. And Individual Respondents knew that Corporate Respondents disbursed consumer funds to ACL even after consumers had unenrolled from or cancelled services provided by ACL-funded Student Loan DRSPs.

93. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause substantial injury to consumers, if the injury is not reasonably avoidable, and if the injury is not outweighed by countervailing benefits to consumers or to competition.

94. Corporate Respondents' practice of disbursing consumer-owned fees for unearned Debt Relief Services caused substantial injury to consumers that was not reasonably avoidable or outweighed by any countervailing benefit to consumers or competition.

95. Thus, Respondents engaged in unfair acts and practices in violation of §§ 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. §§ 5536(a)(1)(B), 5531(c)(1).

CONDUCT PROVISIONS

V.

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

96. Respondents and their officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate the Telemarketing Sales Rule's assisting and facilitating prohibition, 16 C.F.R. § 310.3(b) and Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536.

97. Individual Respondents and AMS, whether acting directly or indirectly, are permanently restrained from advertising, marketing, promoting, offering, selling, or Assisting Others in the advertising, marketing, promoting, offering, or selling of Account Maintenance Services and Payment Processing Services in connection with Debt Relief Services. Nothing in this Consent Order shall be read as an exception to this Paragraph.

98. Corporate Respondent RAM Payment, whether acting directly or indirectly, is restrained from:

a. advertising, marketing, promoting, offering, selling, or Assisting Others in the advertising, marketing, promoting, offering, or selling of Account Maintenance Services and Payment Processing Services in connection with either Student Loan Debt Relief Services or other Debt Relief Services provided by Debt Relief Service Providers receiving funding from or directly or indirectly owned by ACL;

b. receiving any remuneration or other consideration from, or holding any ownership interest in any Person engaged in advertising, marketing, promoting, offering, selling, or Assisting Others in the advertising, marketing, promoting, offering, or selling of Account Maintenance Services and Payment Processing Services in connection with either Student Loan Debt Relief Services or other Debt Relief Services provided by Debt Relief Service Providers receiving funding from or directly or indirectly owned by ACL; and

c. giving any money or other compensation to third-party marketing companies in exchange for referrals of business involving Debt Relief Service Providers.

Nothing in this Consent Order shall be read as an exception to this Paragraph.

99. RAM Payment, whether acting directly or indirectly, must take the following affirmative action with respect to RAM Payment's provision of Account Maintenance Services and Payment Processing Services in connection with Traditional Debt Relief Services:

a. Develop and implement written policies, practices, procedures, and controls designed to ensure that RAM Payment does not disburse Advance Fees to Debt Relief Service Providers and Legal Plan Providers offering Debt Relief Services. At a minimum such written policies, practices, procedures, and controls must include, but not be limited to:

i. Screening and due diligence of Legal Plan Providers that includes:

(1) receiving and reviewing:

a. information about the identities of any principal or Person who owns 10% or more of the ownership interest in the Legal Plan Provider, either directly or indirectly, including whether any such Person has ever been the subject of an investigation or legal action by any state or federal law enforcement agency. For each such Person, RAM Payment must also receive and review information about the identities of any Debt Relief Service Provider that is controlled by

the Person or in which the Person owns 10% or more of the ownership interest, either directly or directly;

b. a description of the nature of the Legal Plan Provider's business, including a description of all of the services the Legal Plan Provider offers;

c. all business and trade names, fictitious names, DBAs, and Internet websites under or through which the Legal Plan Provider has marketed or intends to market the Legal Plan Memberships;

d. representative marketing materials currently in use;

e. each consumer contract template used by the Legal Plan Provider;

f. all contracts or agreements between the Legal Plan Provider and Debt Relief Service Provider marketing the Legal Plan Membership;

g. a description of the Legal Plan Provider's complaint intake and management system; and

h. consumer complaints received in the last year; and

(2) determining whether the Legal Plan Provider offers a Debt Relief Service; and

(3) creating written records evidencing the determination made in Paragraph 99.a.i.2 and stating the basis for such a determination; and

ii. Controls to prevent the disbursement of Advance Fees for Debt Relief Services, including Advance Fees to Legal Plan Providers; and

iii. Regular reviews of disbursements of fees to identify and remedy any disbursement of Advance Fees and to enhance controls to prevent the future disbursement of Advance Fees;

b. Engage an external auditor for the duration of this Consent Order to monitor RAM Payment's implementation of this Order's requirements, including:

i. Performing testing of RAM Payment's operations to detect any potential violations of the Telemarketing Sales Rule, CFPA, or the Consent Order by RAM Payment;

ii. Performing testing of RAM Payment's written policies, procedures, and practices that are designed to screen and monitor Debt Relief Service Providers and Legal Plan Providers to which RAM Payment provides Account Maintenance Services and Payment Processing Services and detect violations of the

Telemarketing Sales Rule's Advance Fee prohibition by the Debt Relief Service Provider or Legal Plan Provider, including testing whether Corporate Respondent RAM Payment's written policies, procedures, and practices are adequate to prevent the disbursement of Advance Fees to Legal Plan Providers;

iii. Perform testing for effectiveness of RAM Payment's documented compliance monitoring processes, complaint monitoring processes, and compliance with the TSR and CFPA;

iv. Reporting to RAM Payment the findings from its testing described in Paragraph 99.b.i-iii and recommendations to address its findings; and

c. Within 30 days of receiving findings from the external auditor, develop a plan to implement any recommendations of the external auditor. As part of its second Compliance Report required under Section X of this Consent Order, RAM Payment must report on the external auditor's findings to date, its implementation of any recommendations, and any plan to implement recommendations.

VI.

Compliance Plan

IT IS FURTHER ORDERED that:

100. Within 30 days of the Effective Date, RAM Payment must submit to the Enforcement Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that RAM Payment's Account Maintenance Services and Payment Processing Services comply with all applicable laws that the Bureau enforces, including Federal consumer financial laws, and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:

a. detailed steps, including the development and implementation of policies and procedures, for addressing each action required by this Consent Order; and

b. specific timeframes and deadlines for implementation of the steps described above.

101. The Enforcement Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct RAM Payment to revise it. If the Enforcement Director directs RAM Payment to revise the Compliance Plan, RAM Payment must revise and resubmit the Compliance Plan to the Enforcement Director within 14 days.

102. After receiving notification that the Enforcement Director has made a determination of non-objection to the Compliance Plan, RAM Payment must

implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

MONETARY PROVISIONS

VII.

Order to Pay Redress

IT IS FURTHER ORDERED that:

103. Within 10 days of the Effective Date, Respondents must reserve or deposit into a segregated deposit account restitution in an amount not less than $8,676,180, for the purpose of providing redress to Affected Consumers as required by this Section. Respondents are jointly and severally liable for this obligation.

104. Within 45 days of the Effective Date, RAM Payment must submit to the Enforcement Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Enforcement Director will have the discretion to make a determination of non-objection to the Redress Plan or direct RAM Payment to revise it. If the Enforcement Director directs RAM Payment to revise the Redress Plan, RAM Payment must revise and resubmit the Redress Plan to the Enforcement Director within 14 days. After receiving notification that the Enforcement Director has made a determination of non-objection to the

Redress Plan, RAM Payment must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

105. The Redress Plan must:

a. Require Respondents to provide redress to Affected Consumers, estimated to be $8,676,180, as follows:

i. for each Affected Consumer, any unrefunded RAM Fee paid by the Affected Consumer during the Relevant Period; and

ii. for each Affected Consumer enrolled in Student Loan Debt Relief Services financed by ACL, all fees paid by the Affected Consumer that Corporate Respondents disbursed to ACL during the Relevant Period.

b. Specify how Respondents will identify all Affected Consumers;

c. Specify how Respondents will calculate the amount of redress to be paid to each Affected Consumer;

d. Describe the processes for issuing, delivering, and tracking payments to all Affected Consumers, including processes for handling any unclaimed funds;

e. Include the form of the letter (Redress Notice) and envelope containing the Redress Notice to be sent notifying Affected Consumers who are entitled to redress of their right to redress:

i. the Redress Notice must include a statement that the payment is made in accordance with the terms of this Consent Order;

ii. any Redress Notice sent to Affected Consumers who enrolled in Student Loan Debt Relief Services that were funded by ACL must also include a statement that, as applicable, AMS or RAM Payment did not provide services to the consumer as an independent third-party; and

iii. Respondents must not include in any envelope containing a Redress Notice any materials other than the approved Redress Notices and redress checks, unless Respondents have written confirmation from the Enforcement Director that the Bureau does not object to the inclusion of such additional materials;

f. Specify the process Respondents will use to provide redress to Affected Consumers, which must include:

i. Before sending redress checks and Redress Notices, Respondents must make reasonable attempts to obtain a current address for each Affected Consumer entitled to Redress Fees using, at a minimum, the National Change of Address System (NCAS);

ii. Respondents must mail a redress check and the Redress Notice to each Affected Consumer entitled to redress, or their authorized representative;

iii. Respondents must send the redress check and the Redress Notice by United States Postal Service first-class mail, address correction service requested, to the most recent address for each Affected Consumer entitled to redress or to Affected Consumer's last known address if there Respondents have not obtained an updated address through NCAS or other means;

iv. If a redress check is returned as undeliverable, Respondents must make additional reasonable attempts to obtain a current address for such consumers using a commercially available database other than the NCAS or by skip-tracing and/or by emailing them at their last known email address. Respondents must promptly re-mail all returned redress checks and Redress Notices to each Affected Consumer's current address, if any, obtained through such reasonable attempts; and

v. If a redress check is returned, Respondents must retain the redress amount of such Affected Consumer for a period of one hundred eighty (180) days from the date the check was mailed

or remailed, whichever is later, during which period such amount may be claimed by such Affected Consumer upon appropriate proof of identity;

g. Specify all procedures, deadlines, and timeframes for completing each step of the Redress Plan, consistent with the terms of this Consent Order.

106. Within 60 days of completing the Redress Plan, RAM Payment must submit a Redress Plan Report to the Enforcement Director, which must include RAM Payment's review and assessment of Respondents' compliance with the terms of the Redress Plan, including:

a. the procedures used to issue and track redress payments;

b. the total number of Affected Consumers that cashed redress payment checks;

c. the total amount of redress payment checks Affected Consumers cashed;

d. the total number of Affected Consumers that did not cash redress payment checks;

e. the amount, status, and planned disposition of all unclaimed redress payments; and

f. the work of independent consultants that Respondents used, if any, to assist and review its execution of the Redress Plan.

107. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than $8,676,180, within 30 days of the completion of the Redress Plan, Respondents must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Affected Consumers and $8,676,180.

108. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury as disgorgement. Respondents will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

109. Respondents may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

VIII.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

110. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the 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 a civil money penalty of $3 million to the Bureau. Respondents are jointly and severally liable for this obligation.

111. Within 10 days of the Effective Date, Respondents must pay $1.5 million of the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions. Within 60 days of the Effective Date, Respondents must pay the remaining $1.5 million of the civil money penalty to the Bureau or the Bureau's agent in compliance with the Bureau's wiring instructions.

112. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

113. Respondents, for all purposes, must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. 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 other than another Respondent, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

114. 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 or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondents based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondents must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the amount of the offset or reduction 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.

IX.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

115. 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.

116. 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.

117. Under 31 U.S.C. § 7701, Respondents, unless they already have done so, must furnish to the Bureau their taxpayer-identification numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

118. 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.

COMPLIANCE PROVISIONS

X.

Reporting Requirements

IT IS FURTHER ORDERED that:

119. Each Corporate Respondent must notify the Bureau of any development that may affect its 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; the creation or dissolution of a 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 Corporate Respondent; or a change in any Corporate Respondent's name or address. Corporate Respondents must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

120. Within 7 days of the Effective Date, each Respondent must:

a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Respondent;

b. identify all businesses for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all their names,

telephone numbers, and physical, postal, email, and Internet addresses; and

c. describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.

121. Within 7 days of the Effective Date, each Individual Respondent must:

a. identify each Individual Respondent's telephone numbers and all email, Internet, physical, and postal addresses, including all residences;

b. describe in detail each Individual Respondent's involvement in any business for which he performs services in any capacity or which he wholly or partially owns, including Individual Respondent's title, role, responsibilities, participation, authority, control, and ownership.

122. Respondents must report any change in the information required to be submitted under Paragraphs 120 and 121 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

123. Within 90 days of the Effective Date, and again one year after the Effective Date, each Respondent must submit to the Enforcement Director an accurate written compliance progress report (Compliance Report), sworn to under penalty of perjury, which, at a minimum:

a. lists each applicable paragraph and subparagraph of the Order and describes in detail the manner and form in which each Respondent has complied with each such paragraph and subparagraph of the Consent Order applicable to that Respondent;

b. describes in detail the manner and form in which Respondent, as applicable, has complied with the Redress Plan Compliance Plan; and

c. attaches a copy of each Order Acknowledgment obtained under Section XI, unless previously submitted to the Bureau.

XI.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

124. Within 7 days of the Effective Date, each Respondent must submit to the Enforcement Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.

125. Within 30 days of the Effective Date, each Respondent, and each Individual Respondent, for any business for which he is the majority owner or which he directly or indirectly controls, must deliver a copy of this Consent Order to each of its 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.

126. For 5 years from the Effective Date, each Respondent, and each Individual Respondent, for any business for which he is the majority owner or which he directly or indirectly controls, must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section X, 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.

127. Each Respondent 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.

128. Within 90 days of the Effective Date, each Respondent must provide the Bureau with a list of all Persons and their titles to whom this Consent Order was delivered through that date under Paragraphs 125 and 126 and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 127.

XII.

Recordkeeping

IT IS FURTHER ORDERED that:

129. For 5 years from the Effective Date, each Respondent must create and retain the following business records:

a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order as applicable to that Respondent, including, but not limited to, reports by the external auditor, screening and due diligence of Legal Plan Providers, and all submissions to the Bureau.

b. all documents and records pertaining to the Redress Plan, described in Section VII above.

130. Respondent must make the documents identified in Paragraph 129 available to the Bureau upon the Bureau's request.

XIII.

Notices

IT IS FURTHER ORDERED that:

131. 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 RAM*

Payment, LLC, File No. 2022-CFPB-0003," and send them by overnight courier or 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

XIV.

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

132. Respondents must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondents must provide such information in its or its agents' possession or control within 14 days of receiving a written request from the Bureau.

133. 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. Individual Respondents must appear and Corporate Respondents must cause Corporate Respondents' officers, employees,

representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 10 days written notice, or other reasonable notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XV.

Compliance Monitoring

IT IS FURTHER ORDERED that:

134. 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.

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

136. Respondents must permit Bureau representatives to interview any employee or other Person affiliated with Respondents who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section V; or (c) compliance with the Consent Order. The Person interviewed may have counsel present.

137. 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.

138. For the duration of the Consent Order in whole or in part, RAM Payment agrees to be subject to the Bureau's supervisory authority under 12 U.S.C. § 5514. Consistent with 12 C.F.R. § 1091.111, RAM Payment may not petition for termination of supervision under 12 C.F.R. § 1091.113.

XVI.

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

139. 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.

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

ADMINISTRATIVE PROVISIONS

XVII.

IT IS FURTHER ORDERED that:

141. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondents. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any other Person or governmental agency from taking any action against Respondents.

142. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 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.

143. As to Respondent RAM Payment, this Consent Order will terminate on the later of 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 initiated within 5 years of the Effective Date. 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.

144. As to Respondents AMS and Individual Respondents, this Consent Order will remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

145. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

146. Should Corporate Respondents seek to transfer or assign all or part of their operations that are subject to this Consent Order, Corporate 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.

147. 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 §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.

148. 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.

149. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondents, their officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 11th day of May, 2022.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau