

OCCC CASE NO. L23-00054

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NO.:1400000034	§	OFFICE OF CONSUMER
CONSUMER EDUCATION	§	
SERVICES INC.	§	CREDIT COMMISSIONER
3724 NATIONAL DRIVE, STE. 220	§	
RALEIGH, NORTH CAROLINA 27612	§	STATE OF TEXAS

ORDER IMPOSING ADMINISTRATIVE PENALTY

The Office of Consumer Credit Commissioner (“OCCC”) issues this Order Imposing Administrative Penalty against Consumer Education Services Inc. (“Consumer Education Services”).¹

Statement of Facts and Law

Consumer Education Services is a debt management services provider registered with the OCCC under Chapter 394 of the Texas Finance Code. Consumer Education Services operates under master file number 1400000034 at one location, under registration number 125650. Consumer Education Services’ compliance officer is Christel McDuffie, and its designated contact address is 3724 National Drive, Ste. 220, Raleigh, North Carolina 27612.

A debt management services provider must file annual reports with the Consumer Credit Commissioner (“Commissioner”).² Additionally, a debt management services provider must annually file the following required documents with the Commissioner:

- (a) a blank copy of the provider’s written debt management services agreement;³
- (b) blank copies of credit counseling information provided to consumers;⁴
- (c) a surety bond or evidence that the provider maintains an insurance policy.⁵

A provider must comply with all instructions from the Commissioner relating to submitting the report.⁶ The annual report and required documents are due by January

¹ Tex. Fin. Code § 14.208(a).
² Tex. Fin. Code § 394.205(b); 7 Tex. Admin. Code § 88.202(b).
³ Tex. Fin. Code § 394.205(d); 7 Tex. Admin. Code § 88.202(c)(1).
⁴ Tex. Fin. Code § 394.205(d); 7 Tex. Admin. Code § 88.202(c)(2).
⁵ Tex. Fin. Code § 394.206; 7 Tex. Admin. Code § 88.202(c)(3).
⁶ 7 Tex. Admin. Code § 88.202(a).

31 of each year.⁷ In 2023, the OCCC extended the deadline for filing the 2022 annual report and required documents until February 15, 2023.

On June 26, 2019, the OCCC issued an Order to File Timely and Accurate Annual Reports and Required Documents (the “Order”) against Consumer Education Services for violating Chapter 394 of the Texas Finance Code by failing to timely file its 2018 annual report. The Order required Consumer Education Services to timely file all future annual reports.

Consumer Education Services did not file its 2022 annual report by February 15, 2023, and did not provide the required documents described above by February 15, 2023.

The Commissioner may issue an injunction ordering a debt management services provider to file one or more complete, timely, and accurate annual reports and required documents if the Commissioner has reasonable cause to believe that the provider is violating Chapter 394 of the Texas Finance Code.⁸ The Commissioner may impose an administrative penalty on a provider that violates an injunction.⁹

By failing to timely file its 2022 annual report and required documents, Consumer Education Services has violated Chapter 394 of the Texas Finance Code and the OCCC’s Order to File Timely and Accurate Annual Reports and Required Documents.

Order

IT IS ORDERED that Consumer Education Services Inc.:

1. pay an administrative penalty in the amount of **\$500.00**, calculated as \$500.00 each for Consumer Education Services’ one registered location, within 30 days of the date of this Order; and
2. file its 2022 annual report and all required documents within 30 days of the date of this Order, if it has not already done so.

⁷ 7 Tex. Admin. Code § 88.201(c).

⁸ Tex. Fin. Code § 14.208(a).

⁹ Tex. Fin. Code § 14.208(c).

Annual reports for debt management services providers must be submitted through the OCCC's Application Licensing Examination Compliance System (ALECS): alecs.occ.texas.gov. Instructions are available by clicking the "File Annual Report" button on the OCCC's home page, occ.texas.gov.

Right to Request Hearing

You have the right to request a hearing regarding this Order.¹⁰ To request a hearing, you must send a written hearing request to the OCCC no later than 30 days after the date of this Order. You must send your request to Audrey Spalding, Assistant General Counsel, by mail to 2601 N. Lamar Blvd., Austin, Texas 78705, or by email to audrey.spalding@occ.texas.gov.

If you request a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹¹ If you fail to request a hearing by the deadline, this Order will be considered final and enforceable.¹²

All communications with the OCCC concerning this matter must be through Audrey Spalding, Assistant General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at 512-936-7659, or by email at audrey.spalding@occ.texas.gov.

Signed this 23rd day of May, 2023.

/s/ Leslie Pettijohn

Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

¹⁰ Tex. Fin. Code § 14.208(b).

¹¹ Tex. Fin. Code § 14.208(b).

¹² Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on May 23, 2023, a true and correct copy of this Order Imposing Administrative Penalty has been sent to Consumer Education Services Inc. by regular mail and certified mail, return receipt requested, at:

CMRRR # 9214 8901 9403 8300 0012 2231 99
Consumer Education Services Inc.
Attn: Christel McDuffie, Compliance Officer
3724 National Drive, Ste. 220
Raleigh, NC 27612

/s/Audrey Spalding _____
Audrey Spalding
Assistant General Counsel
Office of Consumer Credit Commissioner
State Bar No. 24111055
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