

OCCC CASE NO. L20-00105

IN THE MATTER OF:	§	BEFORE THE
	§	
MASTER FILE NUMBER: 1400031736	§	OFFICE OF CONSUMER
PRODEBTCo LLC D/B/A	§	
AMERICAN CREDIT CARD	§	CREDIT COMMISSIONER
SOLUTIONS	§	
9201 CORPORATE BLVD.	§	STATE OF TEXAS
SUITE 130	§	
ROCKVILLE, MARYLAND 20850	§	

**ORDER TO TAKE AFFIRMATIVE ACTION
AND IMPOSING ADMINISTRATIVE PENALTY**

The Office of the Consumer Credit Commissioner (“OCCC”) issues Order to Take Affirmative Action and Imposing Administrative Penalty against ProDebtCo LLC d/b/a American Credit Card Solutions (“ProDebtCo”) based on the facts and law described below.¹

Background

ProDebtCo is a debt management services provider, registered with the OCCC under Chapter 394 of the Texas Finance Code. ProDebtCo operates under master file number 1400031736 at one location, under registration number 201803. ProDebtCo’s Compliance Officer is Angelo Pace, and its designated contact address is 9201 Corporate Blvd, Suite 130, Rockville, Maryland 20850.

Requirement to File Timely and Accurate Annual Reports and Documents

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 documents with the Commissioner:

¹ Tex. Fin. Code §§ 14.208, 394.214(e).

² Tex. Fin. Code § 394.205(b); 7 Tex. Admin. Code § 88.202(b).

- (a) the total number of debt management plans the provider has initiated on behalf of consumers in this state during that period;³
- (b) records of total and average fees charged to consumers, including all voluntary contributions received from consumers;⁴
- (c) a blank copy of the agreement described in Texas Finance Code § 394.209 (written debt management services agreement);⁵
- (d) blank copies of the written information required in Texas Finance Code § 394.208(a)(5) (consumer counseling statement);⁶
- (e) a surety bond or evidence that it maintains an insurance policy;⁷
- (f) a list of all owners and principal parties, including any change in ownership that occurred during the preceding calendar year;⁸ and
- (g) information regarding its credit counselors, including the number of credit counselors employed at the time the annual report is prepared, and the accreditation organization or program that certifies its counselors.⁹

The annual report and required documents are due on or before February 1 of each year.¹⁰ The provider must comply with all instructions from the Commissioner relating to submitting the report.¹¹

Failure to File Timely and Accurate Report for 2017

In its 2017 annual report, ProDebtCo certified that it had not used any debt management plan, provided any consumer counseling statements, utilized any certified credit counselors, nor charged consumers any fees during 2017.

The OCCC conducted an investigation and found that ProDebtCo had provided debt management services to approximately 542 customers in 2017. Therefore, ProDebtCo's 2017 annual report was false and misleading.

³ Tex. Fin. Code § 394.205(b)(2); 7 Tex. Admin. Code § 88.202(b)(1).

⁴ Tex. Fin. Code § 394.205(b)(3); 7 Tex. Admin. Code § 88.202(b)(1).

⁵ Tex. Fin. Code § 394.205(d); 7 Tex. Admin. Code § 88.202(b)(1).

⁶ Tex. Fin. Code § 394.205(d); 7 Tex. Admin. Code § 88.202(b)(1).

⁷ Tex. Fin. Code § 394.206; 7 Tex. Admin. Code § 88.202(c).

⁸ 7 Tex. Admin. Code § 88.202(b)(2).

⁹ 7 Tex. Admin. Code § 88.202(b)(3).

¹⁰ 7 Tex. Admin. Code § 88.201.

¹¹ 7 Tex. Admin. Code § 88.202(a);

<https://occc.texas.gov/sites/default/files/uploads/reports/annualreport-how-do-i-file-a-report.pdf>.

Failure to File Timely and Accurate Report for 2018

In its 2018 annual report, ProDebtCo certified that it had not used any debt management plan, provided any consumer counseling statements, utilized any certified credit counselors, nor charged consumers any fees during 2018.

The OCCC conducted an investigation and found that ProDebtCo had provided debt management services to approximately 559 customers in 2018. Therefore, ProDebtCo's 2018 annual report was not timely or accurate.

Failure to File Timely and Accurate Report for 2019

In its 2019 annual report, ProDebtCo certified that it had not used any debt management plan, utilized any certified credit counselors, nor charged consumers any fees during 2019.

The OCCC conducted an investigation and found that ProDebtCo had provided debt management services to approximately 428 customers in 2019. On December 7, 2020, ProDebtCo filed an amended report for 2019 showing 429 debt management plans, the use of 20 certified credit counselors, total fees of \$152,350.99, and average fees of \$355.12. Therefore, ProDebtCo's 2019 annual report was not timely or accurate.

Failure to File Timely and Accurate Report for 2020

In its 2020 report, ProDebtCo certified that it had initiated 500 debt management plans on behalf of consumers during 2020.

The OCCC conducted an investigation and found that ProDebtCo had provided debt management services to approximately 495 customers in 2020. Therefore, ProDebtCo's 2020 annual report was not timely or accurate.

Violation of Prior Order

On June 26, 2019, the OCCC issued an Order to File Timely and Accurate Annual Reports and Required Documents ("Order").¹² This Order required ProDebtCo to file timely and accurate annual reports.

After the Order became final, ProDebtCo filed its annual report for 2019. In this report ProDebtCo certified that it had not used any debt management plan,

¹² OCCC Case No. L19-00265; Order to File Timely and Accurate Annual Reports and Required Documents issued on June 26, 2019 against ProDebtCo LLC.

utilized any certified credit counselors, nor charged consumers any fees during 2019.

The OCCC conducted an investigation and found that ProDebtCo had provided debt management services to approximately 428 customers in 2019. On December 7, 2020, ProDebtCo filed an amended report for 2019 showing 429 debt management plans, the use of 20 certified credit counselors, total fees of \$152,350.99, and average fees of \$355.12. Therefore, ProDebtCo violated the Order by filing an annual report that was not timely or accurate.

The Order contained a warning that violation of the Order could subject ProDebtCo to an administrative penalty of up to \$1,000.¹³ The Order also contained a warning that multiple violations of the Order could subject ProDebtCo to suspension or revocation of its registration.¹⁴

Failure to Submit Required Registration Information

An application to register as a debt management services provider requires a person to provide several items and information, including:

1. all names under which the applicant conducts business;¹⁵
2. the applicant's primary Internet website address;¹⁶
3. any updates to the applicant's registration information.¹⁷

According to the records of the Texas Secretary of State, ProDebtCo has operated under the assumed name of "American Credit Card Solutions" since 2012. However, ProDebtCo failed to identify "American Credit Card Solutions" as a name under which it conducts business in violation of Texas law.¹⁸

According to the records of the OCCC, ProDebtCo's primary Internet website address is www.prodebtco.com. However, this internet website address is not active or accessible. Therefore, ProDebtCo is not using www.prodebtco.com as its primary Internet website address. There is an active and accessible Internet website address under ProDebtCo's assumed name ("American Credit Card Solutions") located at <https://www.americancreditcardsolutions.com/>. This

¹³ Tex. Fin. Code § 14.208(c); Tex. Fin. Code § 394.214(e)(3).

¹⁴ Tex. Fin. Code § 394.204(k); Tex. Fin. Code § 394.214(e)(4).

¹⁵ Tex. Fin. Code § 394.204(c)(4); 7 Tex. Admin. Code § 88.102(b)(1)(A)(ii).

¹⁶ Tex. Fin. Code § 394.204(c)(3); 7 Tex. Admin. Code § 88.102(b)(1)(A)(vii).

¹⁷ Tex. Fin. Code § 394.204(c)(8); 7 Tex. Admin. Code § 88.104.

¹⁸ Tex. Fin. Code § 394.204(c)(4); 7 Tex. Admin. Code § 88.102(b)(1)(A)(ii).

website states that American Credit Card Solutions provides “Debt Relief Solutions in Texas” and “Debt Settlement in Texas.”¹⁹ Therefore, ProDebtCo’s statement that its primary Internet website address is www.prodebtco.com is false and misleading. Moreover, ProDebtCo failed to identify its primary Internet website address as <https://www.americancreditcardsolutions.com/>.

Failure to Use Certified Credit Counselors

A debt management services provider may not enroll a consumer in a debt management plan without utilizing the services of a counselor certified by an independent accreditation organization.²⁰ The OCCC conducted an investigation and found that ProDebtCo had used at least one counselor (Matthew Traks) who was not certified by an independent accreditation organization as required by Texas law.

Authority

The Commissioner may enforce Chapter 394 of the Texas Finance Code by ordering the violator to cease and desist from the violation, take affirmative action to correct the violation and pay an administrative penalty not to exceed \$1,000 for each violation.²¹

The Commissioner has reasonable cause to believe that ProDebtCo is violating Chapter 394 of the Texas Finance Code as described above, and therefore issues this Order requiring the actions described below.

Order

IT IS ORDERED that ProDebtCo LLC d/b/a American Credit Card Solutions:

- (1) pay an administrative penalty in the amount of \$1,000 no later than 30 days after the date of this Order;
- (2) amend its registration information to correct any false, misleading, or

¹⁹ <https://www.americancreditcardsolutions.com/about-us/locations/texas>.

²⁰ Tex. Fin. Code §§ 394.202, 394.208; 7 Tex. Admin. Code § 88.304.

²¹ Tex. Fin. Code § 14.208; Tex. Fin. Code § 394.214(e).

missing items or information, including all names under which it does business, and its primary Internet website address, no later than 30 days after the date of this Order;

- (3) cease and desist from utilizing any credit counselor not accredited as described by 7 Texas Administrative Code Section 88.304;
- (4) file amended annual reports for 2017, 2018, 2019, and 2020 within 30 days of service of this Order to correct any false, misleading, or missing items or information;
- (5) comply with the reporting and filing requirements set forth in Sections 394.205 and 394.206 of the Texas Finance Code, and Title 7, Sections 88.201 and 88.202 of the Texas Administrative Code;
- (6) timely file complete and accurate future annual reports and required documents; and
- (7) No later than 45 days after the date of this Order, submit a report to the OCCC describing each action ProDebtCo has taken to comply with this Order.

Amendments to registration information and annual reports for 2019 and 2020 must be submitted through the OCCC's Application Licensing Examination Compliance System (ALECS): alecs.occ.texas.gov. Instructions for annual reports are available by clicking the "File Annual Report" button on the OCCC's home page, occ.texas.gov.

Amendments to annual reports for 2017 and 2018 must be submitted by email to annualreport@occ.texas.gov.

Violation of This Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 per violation.²² Multiple violations may also result in the suspension or revocation of your registration.²³

²² Tex. Fin. Code § 14.208(c); Tex. Fin. Code § 394.214(e)(3).

²³ Tex. Fin. Code § 394.204(k); Tex. Fin. Code § 394.214(e)(4).

Right to Request Hearing

You have the right to request a hearing regarding this Order.²⁴ Your request must be made in writing and sent to the OCCC not later than 30 days after you receive this Order. You must send your request to:

Michael Rigby
Office of Consumer Credit Commissioner
2601 N. Lamar Blvd.
Austin, Texas 78705

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.²⁵ If you fail to request a hearing by this deadline, this Order is considered final and enforceable.²⁶

All communications with the OCCC concerning this matter must be through Michael Rigby, General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7623, or by email to michael.rigby@occc.texas.gov.

Signed this 25th day of June, 2021.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

²⁴ Tex. Fin. Code § 14.208(b).

²⁵ Tex. Fin. Code § 14.208(b).

²⁶ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on June 25, 2021, a true and correct copy of this Order to Take Affirmative Action and Imposing Administrative Penalty has been sent to ProDebtCo LLC d/b/a American Credit Card Solutions by the following methods:

ProDebtCo LLC
d/b/a American Credit Card Solutions
Attn: Angelo Pace, Compliance Officer
9201 Corporate Blvd, Suite 130
Rockville, MD 20850
apace@prodebtco.com

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0043 4085 41

ProDebtCo LLC
d/b/a American Credit Card Solutions
Attn: Business Filings Incorporated,
Registered Agent
701 Brazos, Suite 720
Austin, TX 78701
info@bizfilings.com

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
9214 8901 9403 8300 0043 4086 95

/s/ Michael Rigby
Michael Rigby
General Counsel
Office of Consumer Credit Commissioner
State Bar No. 50511925
2601 North Lamar Blvd.
Austin, Texas 78705

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