

BEFORE THE ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE

STATE OF COLORADO

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**STIPULATION AND FINAL AGENCY ORDER**

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IN THE MATTER OF PRESTIGE FINANCIAL SOLUTIONS, INC. and AMY THOMPSON  
Respondents.

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THIS STIPULATION AND FINAL AGENCY ORDER (the "FAO") is made between Laura E. Udis, Administrator of the Colorado Uniform Consumer Credit Code (the "Administrator") and Respondents Prestige Financial Solutions, Inc. ("Prestige") and Amy Thompson ("Thompson") (together, the "Prestige Parties"), to resolve certain issues, including this administrative action against the Prestige Parties.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED, by and between the Administrator and Respondents, as follows:

1. Laura E. Udis is the Administrator of the Uniform Consumer Credit Code. She is authorized under C.R.S. § 12-14.5-233 to enforce the Colorado Uniform Debt-Management Services Act (the "DMSA") by bringing civil actions against those that violate the Act. In such actions, the Administrator may seek injunctive relief, consumer restitution, and attorneys' fees and costs. See C.R.S. § 12-14.5-233.

2. Prestige is a Colorado corporation with its office and principal place of business located at 5005 West 81<sup>st</sup> Place, Suite 401, Westminster, Colorado 80030. Prestige was registered to provide debt-management services to Colorado residents from September 29, 2008 through July 13, 2012.

3. Thompson is an individual residing at 3061 West 92<sup>nd</sup> Ave., Apt. 5D, Westminster, Colorado 80031.

4. The Administrator has jurisdiction over the Prestige Parties and the subject matter of this FAO.

5. On January 6, 2012, the Administrator brought this action by the service and filing of a Notice of Duty to Answer, Notice to Set, Notice of Hearing, and Notice of Charges (the Notice of Charges"), Case No. 2012-0001. The Administrator alleged that Prestige was

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providing debt-management services to residents of Colorado in violation of the DMSA. In particular, the Administrator alleged that Prestige's business practices violated the following requirements of the DMSA: Prestige's agreements do not contain the content mandated by C.R.S. § 12-14.5-219; Prestige does not provide the proper notifications concerning cancellation rights, in violation of C.R.S. § 12-14.5-220; Prestige imposes fees despite the fact that its agreements violate the DMSA, in violation of C.R.S. § 12-14.5-223; Prestige does not provide consumers the cautionary disclosures and information as mandated by C.R.S. § 12-14.5-217; Prestige does not comply with the procedures for terminating agreements and providing consumer refunds upon termination, in violation of C.R.S. § 12-14.5-226; Prestige does not provide the required accountings, in violation of C.R.S. § 12-14.5-227; Prestige takes powers of attorneys that do not contain the requisite limitation on the provider's authority to settle a debt, in violation of C.R.S. § 12-14.5-228; and Prestige's website does not disclose on the home page, or on a page that is clearly and conspicuously connected to the home page, the names of its principal officers, in violation of C.R.S. § 12-14.5-218(g)(3).

6. The State further alleged that Thompson caused Prestige to violate the DMSA and therefore is liable for its violations pursuant to C.R.S. § 12-14.5-233.

7. The Prestige Parties deny that they violated the DMSA, deny that their agreements violate the DMSA in any fashion, and deny that they are liable for damages in any amount to the Administrator or to any consumers. Nevertheless, to avoid the uncertainty and cost of litigation, and to resolve the matters at issue, the Prestige Parties consent to the entry of this FAO.

8. Accordingly, the Administrator finds and concludes that the Prestige Parties violated the DMSA in the ways fully described in the Notice of Charges, which is incorporated herein.

9. Respondents agree to, and the Administrator hereby orders, the following remedies:

a. From the Effective Date, the Prestige Parties shall be permanently enjoined from providing, offering to provide, or agreeing to provide debt-management services (as defined in the DMSA) directly or indirectly through others to Colorado residents. This prohibition would include providing those services as a front-end or back-end agent for a registered debt-management services provider.

b. With respect to the Prestige Parties' current Colorado clients, the Prestige Parties shall use their best efforts to provide written notification to those clients of the FAO (using clients' currently known contact information), and give the clients the opportunity to either (1) have Prestige continue to provide debt-management services to them free of charge; or (2)

terminate and receive a full refund of their trust account balance. The Prestige Parties shall provide the written notification (which notification must be approved by the Administrator) to the clients within 14 days from the Effective Date of the FAO. The written notification to the clients shall state that if the clients do not make an election within 14 days of the date of the written notification, the Prestige Parties shall have Prestige continue to provide debt-management services to them free of charge. This in no way limits the clients' ability to terminate at a later date and receive a full refund of their trust account balance. The Administrator agrees that providing debt-management services to Colorado clients free of charge is not and shall not be deemed a violation of this FAO. The Prestige Parties shall notify the Administrator of the clients who have elected to continue services, and those who have elected terminate and receive a refund, within 45 days of the Effective Date. The Prestige Parties agree not to accept payments for debt-management services that they may provide hereunder to Colorado clients after the Effective Date.

c. Pursuant to C.R.S. §§ 12-14.5-233, an order shall be entered in the Administrator's favor, and against the Prestige Parties in the amount of \$2,181,113.78, for payment of restitution to Colorado consumers.

d. The Prestige Parties have provided sworn financial statements to the Administrator. In reliance on the information contained in those statements, the Administrator agrees that \$2,016,113.78 of the \$2,181,113.78 order against the Prestige Parties shall be suspended so long as they pay the sum of \$165,000 to the Administrator in full, strict, and complete compliance with the following terms:

(i) The Prestige Parties shall pay \$5,000, in certified funds, no later than 14 days from the Effective Date of the FAO.

(ii) The Prestige Parties shall pay the remaining \$160,000 in monthly installments over 35 months. The first 5 monthly installments shall be in the amount of \$8,000 per month and the final 30 monthly installments shall be in the amount of \$4,000 per month. The first monthly installment shall be paid on or before February 1, 2013, and each successive installment shall be paid on or before the 1<sup>st</sup> day of each subsequent month.

10. All such payments shall be deemed paid upon the Administrator's receipt of the payment, and only upon such receipt. All such payments shall be made payable to the "Administrator of the Uniform Consumer Credit Code" to be held in trust along with any interest thereon to be used at the sole discretion of the Administrator of the Uniform Consumer Credit Code for consumer restitution, to reimburse the Administrator for her reasonable costs and attorneys' fees, and for future consumer credit education and enforcement actions. For all payments due before January 23, 2013, payments shall be delivered to Administrator Uniform Consumer Credit Code, 1525 Sherman St., 7<sup>th</sup> Fl., Denver, CO 80203. For payments due on or after January 23, 2013, payments shall be delivered to Administrator Uniform Consumer Credit

Code, Colorado Department of Law, Consumer Protection Section, Consumer Credit Unit, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, 6<sup>th</sup> Floor, Denver, CO 80203. In the event the Prestige Parties fail to pay the \$165,000, or any payment thereof, when due, in full, strict, and complete compliance with the foregoing, upon the Administrator's written notice to the Prestige Parties of such failure, subject to a 5-day opportunity to cure, then the suspension of the \$2,016,113.78 portion of the order shall be immediately vacated and an order shall enter forthwith against the Prestige Parties, and they hereby consent to such entry, for the full \$2,181,113.78 or portion thereof then remaining due and owing. Once the Administrator has provided the Prestige Parties with opportunities to cure on two occasions, the Administrator may, but need not, provide additional opportunities to cure. At that point, any failure to make any payment, when due, in full, strict, and complete compliance with the foregoing, will cause an order to enter for the full \$2,181,113.78 or portion thereof then remaining due and owing.

11. Due to the public interest nature of the Administrator's claims in this matter, the Prestige Parties hereby agree and stipulate that the monetary obligation imposed hereunder shall be considered a debt for a fine, penalty, or forfeiture, payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss.

12. In the event Prestige or Thompson files a petition for bankruptcy within one hundred days of their payments to the Administrator and if the Administrator must return any portion of the money it has collected pursuant to this FAO to the bankruptcy estate, then an order shall enter against the Prestige Parties for \$2,181,113.78 in favor of the Administrator.

13. It is the intent and purpose of this FAO to resolve fully and finally the issues between the Administrator and the Prestige Parties raised and alleged in Administrator, Uniform Consumer Credit Code v. Prestige Financial Solutions, Inc. and Amy Thompson, Case No. CCC 2012-0001. This FAO constitutes a complete release of all claims on behalf of the Administrator against the Prestige Parties with respect to all claims, causes of action, damages, fines, costs, and penalties which were asserted or could have been asserted prior to this date under the DMSA and relating to or based upon the acts or practices which are the subject of this action. The Administrator agrees that it shall not proceed with or institute any civil action or proceeding based upon the DMSA against the Prestige Parties, for any act or practice prior to this date. Notwithstanding the foregoing, the Administrator may institute an action or proceeding to enforce the terms and provisions of this FAO or take action based on future conduct of the Prestige Parties.

14. This FAO shall in no way limit, constrain, abridge, abrogate, waive, release, or otherwise prejudice the right of any consumer to bring any private action under the law.

15. This FAO shall not be modified except in a writing signed by the parties or their authorized representatives and approved and entered by the Administrator.

16. This FAO shall be governed by Colorado law without regard to choice of law rules. As with the DMSA, it shall be liberally construed in the Administrator's favor and strictly construed against the Prestige Parties, who shall comply fully, completely, and strictly with all of its terms and provisions.

17. Any claims or causes of actions arising out of or based upon this FAO shall be commenced in the District Court for the City and County of Denver, Colorado, and the Administrator and the Prestige Parties hereby consent to the jurisdiction, venue, and process of such Court. In the event of any such action or proceeding alleging or asserting a violation of or failure to comply with this FAO, this FAO shall be admissible in full.

18. Except as otherwise provided herein, each party shall bear its own costs and attorneys' fees in connection with Administrator, Uniform Consumer Credit Code v. Prestige Financial Solutions, Inc. and Amy Thompson, Case No. CCC 2012-0001.

19. The Prestige Parties have had the opportunity to be represented by legal counsel and to consult with counsel for the Administrator to negotiate a resolution of this matter. The Prestige Parties knowingly and voluntarily enter into this FAO and waive any right to a formal hearing on the matters forming the basis of this FAO and any right to appeal herefrom.

20. This FAO represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements, and is binding upon all officers, directors, employees, shareholders, managers, members, principals, heirs, agents, affiliates, successors, or assigns of the parties.

21. On the date this FAO is signed by the Administrator, it shall be entered as and become the Final Agency Order of the Administrator and such date shall be the Effective Date of this FAO for all purposes hereunder.

EXECUTED AND SO ORDERED BY THE ADMINSTRATOR this 28<sup>th</sup> day of December 2012.



LAURA E. UDIS  
Administrator,  
Uniform Consumer Credit Code

Prestige Financial Solutions, Inc.

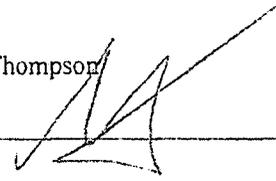
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Dated: 11/1/2013

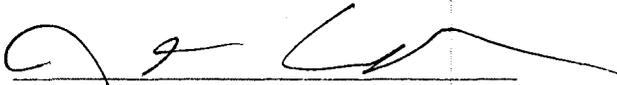
By: 

Its: partner/owner

Dated: 11/1/2013

Amy Thompson  
By: 

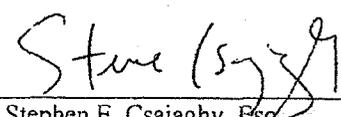
AGREED TO FORM:  
Dated: 12/28/12



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Dated: 12/28/12



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