

IN THE MATTER OF:

NATIONAL CREDIT ADJUSTERS,
LLC

Respondent.

BEFORE THE MARYLAND
STATE COLLECTION
AGENCY LICENSING BOARD
IN THE OFFICE OF THE
COMMISSIONER OF
FINANCIAL REGULATION

Case No.: CFR-FY2013-039

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Agreement”) is entered into this 2nd day of March, 2017, by and between the Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (hereinafter the “Agency”) and National Credit Adjusters, LLC (“Respondent”). The Agency and the Respondent (collectively the “Parties”) consent to the entry of this Agreement as a final resolution of this matter.

1. Pursuant to the Maryland Collection Agency Licensing Act (“MCALA,” at Business Regulations Article (“BR”), § 7-101 *et seq.*, Annotated Code of Maryland), the Agency is responsible for licensing and regulating persons engaged in collection agency activities in the State of Maryland (the “State”).

2. The definition of “collection agency” under BR § 7-101(c) includes, among other things, “a person who engages directly or indirectly in the business of: (1)(i) collecting for, or soliciting from another, a consumer claim; or (ii) collecting a consumer claim the person owns, if the claim was in default when the person acquired it.”

3. BR § 7-401(a) provides that, “except as otherwise provided in this title, a person may not knowingly and willfully do business as a collection agency in the State unless the person has a license.”

4. The position of the Agency is that a non-exempt person who acquires consumer claims which were in default at the time of acquisition (a "Consumer Debt Purchaser"), who then attempts to collect on that debt through litigation in Maryland state courts, is knowingly and willfully doing business as a “collection agency” in the State under BR § 7-101(c). This applies regardless of whether the Consumer Debt Purchaser is represented in litigation by attorneys who are also licensed as collection agencies. As such, a Consumer Debt Purchaser collecting debts through litigation in Maryland State courts is required to be licensed as a collection agency under MCALE, and is subject to the regulatory authority of the Agency in the conduct of that litigation.

5. The position of the Agency is that a Consumer Debt Purchaser collecting debts through litigation in Maryland State courts also meets the definitions of “collector” under CL § 14-201(b) of the Maryland Consumer Debt Collection Act (“MCDCA,” at Commercial Law Article (“CL”), § 14-201 *et seq.*, Annotated Code of Maryland) and of “debt collector” under 15 U.S.C. § 1692(a) of the Fair Debt Collection Practices Act (“FDCPA,” at 15 U.S.C. § 1692, *et seq.*).

6. Pursuant to BR § 7-308(a), the Agency can bring an action to suspend or revoke the license of a collection agency “if the licensee or any owner, director, officer, member, partner, or agent of the licensee” engages in various prohibited activities, including, among other things, the following: “(3) in connection with the collection of

any consumer claim: . . . (ii) engages in any illegal or dishonest activities; or (4) knowingly or negligently violates the Maryland Consumer Debt Collection Act.”

7. Thus the Agency has the authority to bring actions under MCALA against persons engaged in various prohibited activities in connection with the collection of any consumer claim, including, but not limited to, for violations of the FDCPA pursuant to BR § 7-308(a)(3)(ii) (engaging in illegal activities), and for violations of the MCDCA pursuant to BR § 7-308(a)(4). It is the Agency’s position that such authority extends both to litigation-related collection activities, as well as to non-litigation (i.e. “traditional”) collection activities.

8. The FDCPA provides, in relevant part, as follows:

§ 1692e. False or misleading representations

A debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

* * *

(2) The false representation of--

(A) the character, amount, or legal status of any debt; or

* * *

(5) The threat to take any action that cannot legally be taken or that is not intended to be taken.

* * *

(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer.

* * *

§ 1692f. Unfair practices

A debt collector may not use unfair or unconscionable means to collect or attempt to collect any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section:

(1) The collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted by law.

* * *

9. The MCDCA provides, at CL § 14-202(8), as follows: “[i]n collecting or attempting to collect an alleged debt,” a debt collector (or “collector”) may not “[c]laim, attempt, or threaten to enforce a right with knowledge that the right does not exist.”

10. The Agency issued an Advisory Notice dated July 20, 2009, which notified all collection agencies licensed to conduct business in Maryland that it was a violation of Maryland law for them to pursue collection actions against Maryland residents for loans that were made by unlicensed entities, and that it was a violation of Maryland law for them to collect on loans that exceeded permissible interest rate caps.

11. Between 2006 and 2011 the Agency received complaints from multiple Maryland consumers involving Respondent and its collection of unlicensed and unenforceable usurious short-term consumer loans, commonly known as “payday loans”. In 2008, 2009, and 2010, the Agency sent letters via certified mail notifying the Respondent that it was illegal to collect on consumer loans funded by unlicensed lenders, including usurious payday loans. Despite these notifications and repeated assurances from Respondent that it would cease collecting on these types of loans in Maryland, the Agency continued to receive additional complaints of collection efforts from Maryland consumers. As a result of these additional complaints, the Agency initiated an investigation and requested documentation from Respondent regarding its collection activities in Maryland.

12. Respondent has produced information showing that from January 1, 2008 to December 11, 2015 it collected, or attempted to collect, debt on a total of 83,620 Maryland accounts. The Agency has reasonable grounds to believe that of those accounts, 26,423 involved collections, or attempts to collect, on debt funded by unlicensed consumer lenders.

13. The Agency also has reasonable grounds to believe that Respondent directly engaged in collection efforts against Maryland consumers and regularly contracted with third-party collection agencies, which were unlicensed in Maryland, to collect on its behalf.

14. The Agency finds that Respondent's activities constitute violations of MCALA, and the provisions of MCDCA and FDCPA referenced above (collectively the "Alleged Violations"), and has determined that action under Financial Institutions Article ("FI"), § 2-115, and under State Government Article ("SG"), § 10-226(c)(2), Annotated Code of Maryland, would be appropriate.

15. This Agreement is intended to resolve all administrative, judicial, or other legal actions which the Agency could have brought based on the Alleged Violations prior to the execution of this Agreement, and that relates to those issues and pending collection matters which are currently known to the Parties.

16. Respondent wishes to resolve the Alleged Violations in lieu of an administrative action being filed, thereby avoiding the costs associated with an administrative hearing and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without an administrative action being filed as set

forth in this Agreement, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

17. The Agency desires to ensure that Respondent complies with all applicable statutes, regulations, and other laws governing collection agency activities in the State of Maryland, including complying with MCALA, the MCDCA, and the FDCPA, and further wishes to avoid the costs to the taxpayers of an administrative hearing and any potential appeals. The Agency further considers that the resolution of this matter is appropriate in light of the following: Respondent's full cooperation with this investigation; Respondent's willingness to change certain of its collection business practices in response to the concerns of the Agency; and Respondent's representation that it has put into place a compliance management system designed to prevent collection on unlicensed and usurious loans in Maryland.

18. Respondent has agreed to take each and every one of the following actions in exchange for a final resolution of this matter:

a. Respondent will pay restitution consisting of any and all interest Respondent collected from Maryland consumers on unlicensed loans. The total restitution to be paid amounts to **Four Hundred Eighty Thousand Nine Hundred Twenty-Two Dollars and 65/100** (\$480,922.65). The specific instructions, by which restitution is to be paid directly to consumers are found in paragraphs 19.a-e.

b. Respondent will pay a total civil penalty of **One Hundred Thousand Dollars** (\$100,000) by wire transfer, or in the form of a check made payable to the "Commissioner of Financial Regulation." The total civil penalty shall be due within

seven hundred twenty (720) days of the execution of this Agreement.

c. Respondent will pay an investigation fee of **Thirty Thousand Dollars** (\$30,000) by wire transfer, or in the form of a check made payable to the "Commissioner of Financial Regulation." The investigation fee shall constitute reimbursement for the cost of the State's investigation and shall be due within fifteen (15) days of the execution of this Agreement.

d. Respondent will not utilize collection agencies that are unlicensed in Maryland to collect debts in Maryland.

e. Respondent will not collect or attempt to collect on loans originated by lenders not properly licensed by the State of Maryland to consumers who are or were residents of Maryland at the time the loan was originated, nor will Respondent collect on loans that exceed permissible interest rate caps.

f. Respondent will cancel and declare null and void all loans that it currently owns or controls that were originated by lenders not properly licensed by the State of Maryland to consumers who are or were residents of Maryland at the time the loan was originated. The amount of debt the Respondent will cancel and declare null and void pursuant to this Agreement totals Five Hundred Seventy-Six Thousand Seven Hundred Seventy-Two Dollars and 03/100 (\$576,772.03) . Attached to this Agreement is a spreadsheet titled "Attachment 1" that is provided by the Respondent and specifies all of the loans, by consumer name and amount, that it is declaring null and void pursuant to this Agreement. Respondent will also not sell or assign the loans cancelled and declared null and void pursuant to this paragraph.

g. The Respondent shall mail to those Maryland consumers who held unlicensed and/or usurious loans owned or controlled by Respondent, between January 1, 2008 to December 11, 2015, a letter in the form described below:

(1) To each consumer who is owed a refund pursuant to this Agreement on a loan that the Respondent currently owns or controls, "Attachment 2" shall be mailed along with a refund check in accordance with the schedule set forth in paragraph 19.a below.

(2) To each consumer who is not owed a refund pursuant to this Agreement on a loan that the Respondent currently owns or controls, "Attachment 3" shall be mailed no later than sixty (60) days after the execution of this Agreement.

(3) To each consumer who is not owed a refund pursuant to this Agreement on a loan that the Respondent has sold or otherwise transferred, "Attachment 4" shall be mailed no later than sixty (60) days after the execution of this Agreement.

(4) To each consumer who is owed a refund pursuant to this Agreement on a loan that the Respondent has sold or otherwise transferred, "Attachment 5" shall be mailed no later than sixty (60) days after the execution of this Agreement.

h. Attached to this Agreement is a spreadsheet titled "Attachment 6" that is provided by the Respondent and also specifies all of the loans that Respondent purchased between January 1, 2008, and December 11, 2015 that Respondent no longer owns, where the loans were originated by lenders not properly licensed by the State of Maryland, and the loans were made to consumers who were residents of Maryland at the time the loan was originated. No later than sixty (60) days after the execution of this

Agreement, the Respondent will mail a letter to each entity it sold a loan from Attachment 6 to, advising the entity of this Agreement, and the State of Maryland's position that these loans are void and uncollectable. The form letter that will be sent by Respondent is attached to this Agreement as "Attachment 7."

i. No later than sixty (60) days after the execution of this Agreement, the Respondent will move to vacate any judgments it obtained on loans originated by lenders not properly licensed by the State of Maryland to consumers who are or were residents of Maryland at the time the loan was originated, and will direct the release of any pending garnishments, levies, liens restraining notices or attachments, as applicable, on such loans. Should a court refuse to vacate a judgment and/or release any pending garnishments, levies, liens, restraining notices, or attachments, as applicable, on such loans, Respondent will not be found in breach of this subparagraph, provided that Respondent promptly notifies the Agency and cooperates with any further efforts the Agency may take to vacate the judgment and release any pending garnishments, levies, liens, restraining notices, or attachments, as applicable.

j. No later than sixty (60) days after the execution of this Agreement, the Respondent shall request the three major credit reporting agencies (TransUnion, Experian, Inc., and Equifax ("CRA's)) to delete any negative credit information it has previously reported about Maryland consumers relating to loans originated by lenders not properly licensed by the State of Maryland to consumers who are or were residents of Maryland at the time the loan was originated. The Respondent shall provide evidence to the Agency in writing of each submission made to the CRA's. If at any time the

Respondent learns that a CRA has not deleted the information as requested, then Respondent shall promptly notify the Agency of the occurrence. If the Respondent determines that the Respondent had not reported to the CRA's any negative credit information about a particular Maryland consumer's loan described in this paragraph, then the Respondent shall submit an affidavit to the Agency identifying those Maryland consumers about whom no negative credit information was reported to the CRA's no later than sixty (60) days after the execution of this Agreement.

k. Respondent represents that it is currently in compliance and will continue to ensure that, to the best of its knowledge, information and belief, all of its collection activities in the State of Maryland comply with all applicable statutes, regulations, and other laws governing such activities, including, but not limited to, MCALA, the MCDCA, and the FDCPA.

l. Respondent will provide the Agency with an acceleration contact for resolution of Maryland consumer complaints filed with the Agency against Respondent.

19. Respondent shall issue refunds to the Maryland consumers as indicated in paragraph 18.a., above, in accordance with the following:

a. Within five hundred forty (540) days of the execution of this Agreement, and pursuant to the specific time frames described herein, Respondent shall mail a check for the amount of money to be refunded to each consumer via First Class U.S. Mail, to each affected consumer's last known address, or to an updated address as can be identified through customary address verification means. The total of **Four Hundred Eighty Thousand Nine Hundred Twenty-Two Dollars and 65/100**

(\$480,922.65) in refund checks owed will be paid by the Respondent in equal batches every 30 days, beginning with those consumers who are owed the largest refunds and ending with the consumers owed the least. Attached to this Agreement is a schedule titled "Attachment 8" that is provided by the Respondent, and specifies the consumers and amounts in refund checks to be paid for each 30 day period of the 540 day term. All refund checks mailed by the Respondent shall be valid for sixty (60) days after the date they are mailed to consumers. Refunds checks not cashed within sixty (60) days after the date they are mailed will escheat to the State of Maryland pursuant to the instructions found in paragraph 19.c of this Agreement.

b. Within six hundred thirty (630) days of the execution of this Agreement, the Respondent shall furnish evidence to the Agency that refunds were tendered to each affected consumer in the agreed amount by providing a spreadsheet to the Agency that includes the consumer name, check number, date of mailing, and date cashed for each refund payment that was negotiated by the affected consumer.

c. Within six hundred thirty (630) days of the execution of this Agreement, if any refund payment checks mailed by the Respondent to Maryland consumers in accordance with this Agreement are either not cashed within sixty (60) days of the date they are mailed or are returned to the Respondent as non-deliverable (collectively, the "Undeliverable Refunds"), such Undeliverable Refunds will escheat to the State of Maryland. The Respondent will stop payment on such undeliverable refund payment checks, and shall pay the total amount of all Undeliverable Refunds by wire transfer, or in the form of a single check made payable to the "Comptroller of Maryland,"

which shall be submitted to the Agency, and accompanied by a spreadsheet in both hard copy and electronic format that contains the name of the consumer, the amount of interest the Respondent collected from the consumer, the social security number of the consumer (if known), the date of birth of the consumer (if known), the date on which each refund check was mailed, and an indication of which refund checks were cashed, and which refund checks were either not cashed or were returned to the Respondent as non-deliverable. Such action on the part of the Respondent shall relieve the Respondent of any further obligation to make refunds to these consumers under this agreement.

d. The Respondent shall not seek releases from consumers in conjunction with these refunds.

e. If the Agency or Respondent becomes aware that any consumer was inadvertently omitted from Attachments 1 or 8, but who meets the entitlement for a refund under paragraph 18.a. or cancellation under 18.f., above, then Respondent shall provide a refund and/or cancellation within two weeks of Respondent being made aware of the omission, as appropriate based on the circumstances. Respondent is only required to issue a refund to a consumer inadvertently omitted from Attachment 1 if the Respondent has been notified of the omission within seven hundred twenty (720) days of the execution of this Agreement. The Parties shall attempt to informally resolve any disagreements or disputes on this issue, but the Agency will have the authority to make the final determination about whether a refund and/or cancellation is required pursuant to this subparagraph.

20. Respondent will be allowed to retain its Maryland Collection Agencies

Licenses, subject to the express understanding that future violations of Maryland law will likely result in the summary and permanent suspension and/or revocation of such licenses.

21. Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing pursuant to FI § 2-115 and the Maryland Administrative Procedure Act (SG § 10-201 *et seq.*), arising from any charges that could be brought by the Agency based on the Alleged Violations, and that Respondent hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with the waiver of this right and with the negotiation and execution of this Agreement, and that it has in fact consulted with independent legal counsel.

22. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Agency and by the Respondent, shall be admissible in proceedings between those Parties, and shall be binding upon and inure to any of the Respondent's present and future owners, directors, officers, members, partners, agents, successors, and assigns.

23. The Parties hereto acknowledge that this Agreement does not in any way relate to, impact, or otherwise effect the legal rights of, or preclude the Agency from bringing actions against, persons not Parties to this Agreement. The Parties further acknowledge that this Agreement is not intended to and does not grant or create any rights in any third party, and that this Agreement has no third party beneficiaries.

24. The Parties hereto acknowledge that the Agency, in making its determinations in this matter, is relying, in part, upon Respondent's representations as to

the accounts involving Maryland consumers it has owned or controlled and the amounts it has collected on those accounts. The parties further acknowledge that if the Agency later finds that the Respondent knowingly or willfully withheld information from the Agency, then, this Agreement may be revoked at the discretion of the Agency and the Agency may pursue any and all remedies available under the law against the Respondent. In the event the Agency exercises its discretion to revoke this Agreement pursuant to this paragraph, the Respondent acknowledges that it may not reclaim any penalties or restitution paid prior to the revocation.

25. The Respondent represents that the person signing below is authorized to execute this Agreement and to legally bind National Credit Adjusters, LLC.

26. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

- a. To the Commissioner:
Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
Attention: Randy Kiser, Director of Enforcement

Copy to:

John D. Hart, Assistant Attorney General
Department of Labor, Licensing, and Regulation
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

- b. To the Respondent:
Mark A. Fletchall, Esq., Chief Legal Officer
National Credit Adjusters, LLC
327 W. 4th Street
Hutchinson, Kansas 67501

NOW, THEREFORE, it is, by the Commissioner of Financial Regulation on behalf of the Agency, **HEREBY**

ORDERED that Respondent shall adhere to all terms of this Settlement Agreement and Consent Order; and it is further

ORDERED that Respondent shall use good faith efforts to conduct their collection agency business activities in compliance with all applicable federal and Maryland State laws, including but not limited to MCALA, the MCDCA, and the FDCPA; and it is further

ORDERED that, in the event Respondent, or any of the owners, directors, officers, members, partners, employees, or agents of Respondent, violate any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the Alleged Violations set forth above, the Agency may, at the Agency's discretion, take any enforcement actions available under FI § 2-115 and/or BR § 7-205, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, suspension or revocation of a Maryland State collection agency license, civil money penalties of up to \$1,000 for a first violation and up to \$5,000 for each subsequent violation, and an order to provide restitution or to take other affirmative action to correct the violation; and it is further


ORDERED, that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation, and that the Agency may consider this Settlement Agreement and Consent Order in connection with, and in deciding, any action or proceeding before the Agency; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Agency.

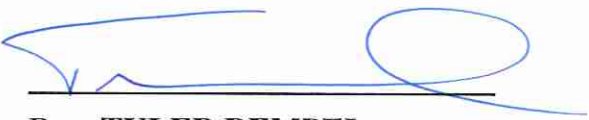
It is so **ORDERED**.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed on the day and year first above written.

**MARYLAND STATE COLLECTION
AGENCY LICENSING BOARD IN THE
OFFICE OF THE COMMISSIONER OF
FINANCIAL REGULATION**


By: **GORDON M. COOLEY, ESQ.**
Commissioner of Financial Regulation,
Chairperson, State Collection Agency
Licensing Board

**NATIONAL CREDIT ADJUSTERS,
LLC**


By: **TYLER REMPEL**
Chief Executive Officer
National Credit Adjusters, LLC

ATTACHMENT 2

National Credit Adjusters, L.L.C.
327 West 4th Street
Hutchinson, Kansas 67501

[DATE OF MAILING]

[MARYLAND DEBTOR'S NAME]
[ADDRESS]
[CITY], [STATE] [ZIP]

PLEASE READ CAREFULLY

Dear [NAME OF MARYLAND DEBTOR]:

You are receiving this notice pursuant to a settlement reached between National Credit Adjusters, LLC ("National Credit Adjusters") and Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the "Agency"). The settlement concerns National Credit Adjusters' debt collection activity in Maryland. Our records indicate that National Credit Adjusters has a collection account in your name: Account(s) [###]. We write to notify you that, in accordance with a settlement with the Agency:

- National Credit Adjusters is providing you with a refund check in the amount of \$[###] for payments related to interest charges you made to National Credit Adjusters on your loan after it was placed with National Credit Adjusters. This refund check is enclosed in this mailing. Please note that you have sixty (60) days from [THE DATE OF THIS LETTER] to cash or deposit this check or you may lose your right to claim this refund.
- National Credit Adjusters has forgiven any remaining outstanding balance and closed the collection account(s) in your name;
- National Credit Adjusters will neither sell nor assign such account(s) in the future to other debt collectors;
- National Credit Adjusters will not attempt to collect on such account(s) either directly or indirectly in the future;
- If National Credit Adjusters had reported any negative information to any credit reporting agency related to such accounts, National Credit Adjusters has written to the agency and requested that the agency delete any such information remaining on your credit report;
- If National Credit Adjusters had obtained any judgments against you regarding such account(s), National Credit Adjusters has moved or will move to vacate that judgment against you; and,

- If National Credit Adjusters had any pending garnishments, levies, liens, restraining notices, or attachments relating to any judgments it obtained on such account(s), National Credit Adjusters has moved to release those holds.

This settlement was obtained by the Agency. Nothing in the settlement prevents or limits you from pursuing any right or remedy at law you may have or requires you to release any rights. Your choice to participate in any class action or other settlement with National Credit Adjusters does not affect your rights and remedies under this settlement.

If you have any further problems regarding the collection account(s) described above, including any improper attempts to collect on this account, or if you have any questions concerning this settlement, you can contact the Agency at 1-888-784-0136.

Sincerely,
National Credit Adjusters

ATTACHMENT 3

National Credit Adjusters, L.L.C.
327 West 4th Street
Hutchinson, Kansas 67501

[DATE OF MAILING]

[MARYLAND DEBTOR'S NAME]
[ADDRESS]
[CITY], [STATE] [ZIP]

PLEASE READ CAREFULLY

Dear [NAME OF MARYLAND DEBTOR]:

You are receiving this notice pursuant to a settlement reached between National Credit Adjusters, LLC ("National Credit Adjusters") and Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the "Agency"). The settlement concerns National Credit Adjusters' debt collection activity in Maryland. Our records indicate that National Credit Adjusters has a collection account in your name: Account(s) [###]. We write to notify you that, in accordance with a settlement with the Agency:

- National Credit Adjusters has forgiven any remaining outstanding balance and closed the collection account(s) in your name;
- National Credit Adjusters will neither sell nor assign such account(s) in the future to other debt collectors;
- National Credit Adjusters will not attempt to collect on such account(s) either directly or indirectly in the future;
- If National Credit Adjusters had reported any negative information to any credit reporting agency related to such accounts, National Credit Adjusters has written to the agency and requested that the agency delete any such information remaining on your credit report;
- If National Credit Adjusters had obtained any judgments against you regarding such account(s), National Credit Adjusters has moved or will move to vacate that judgment against you; and,
- If National Credit Adjusters had any pending garnishments, levies, liens, restraining notices, or attachments relating to any judgments it obtained on such account(s), National Credit Adjusters has moved to release those holds.

This settlement was obtained by the Agency. Nothing in the settlement prevents or limits you from pursuing any right or remedy at law you may have or requires you to release any rights.

Your choice to participate in any class action or other settlement with National Credit Adjusters does not affect your rights and remedies under this settlement.

If you have any further problems regarding the collection account(s) described above, including any improper attempts to collect on this account, or if you have any questions concerning this settlement, you can contact the Agency at 1-888-784-0136.

Sincerely,
National Credit Adjusters

ATTACHMENT 4

National Credit Adjusters, L.L.C.
327 West 4th Street
Hutchinson, Kansas 67501

[DATE OF MAILING]

[MARYLAND DEBTOR'S NAME]
[ADDRESS]
[CITY], [STATE] [ZIP]

PLEASE READ CAREFULLY

Dear [NAME OF MARYLAND DEBTOR]:

You are receiving this notice pursuant to a settlement reached between National Credit Adjusters, LLC ("National Credit Adjusters") and Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the "Agency"). The settlement concerns National Credit Adjusters' debt collection activity in Maryland. Our records indicate that National Credit Adjusters at one time had a collection account in your name: Account(s) [###]. We write to notify you that, in accordance with a settlement with the Agency:

- National Credit Adjusters previously sold your account(s) to [NAME OF DEBT BUYER]. National Credit Adjusters has advised [NAME OF DEBT BUYER] of this settlement and the Agency's position as to this account(s).
- If National Credit Adjusters had reported any negative information to any credit reporting agency related to such accounts, National Credit Adjusters has written to the agency and requested that the agency delete any such information remaining on your credit report;
- If National Credit Adjusters had obtained any judgments against you regarding such account(s), National Credit Adjusters has moved or will move to vacate that judgment against you; and,
- If National Credit Adjusters had any pending garnishments, levies, liens, restraining notices, or attachments relating to any judgments it obtained on such account(s), National Credit Adjusters has moved to release those holds.

This settlement was obtained by the Agency. Nothing in the settlement prevents or limits you from pursuing any right or remedy at law you may have or requires you to release any rights. Your choice to participate in any class action or other settlement with National Credit Adjusters does not affect your rights and remedies under this settlement.

If you have any further problems regarding the collection account(s) described above, including any improper attempts to collect on this account, or if you have any questions concerning this settlement, you can contact the Agency at 1-888-784-0136.

Sincerely,
National Credit Adjusters

ATTACHMENT 5

National Credit Adjusters, L.L.C.
327 West 4th Street
Hutchinson, Kansas 67501

[DATE OF MAILING]

[MARYLAND DEBTOR'S NAME]
[ADDRESS]
[CITY], [STATE] [ZIP]

PLEASE READ CAREFULLY

Dear [NAME OF MARYLAND DEBTOR]:

You are receiving this notice pursuant to a settlement reached between National Credit Adjusters, LLC ("National Credit Adjusters") and Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the "Agency"). The settlement concerns National Credit Adjusters' debt collection activity in Maryland. Our records indicate that National Credit Adjusters at one time had a collection account in your name: Account(s) [###]. We write to notify you that, in accordance with a settlement with the Agency:

- National Credit Adjusters is providing you with a refund check in the amount of \$[###] for payments related to interest charges you made to National Credit Adjusters on your loan after it was placed with National Credit Adjusters. This refund check is enclosed in this mailing. Please note that you have sixty (60) days from [THE DATE OF THIS LETTER] to cash or deposit this check or you may lose your right to claim this refund.
- National Credit Adjusters previously sold your account(s) to [NAME OF DEBT BUYER]. National Credit Adjusters has advised [NAME OF DEBT BUYER] of this settlement and the Agency's position as to this account(s).
- If National Credit Adjusters had reported any negative information to any credit reporting agency related to such accounts, National Credit Adjusters has written to the agency and requested that the agency delete any such information remaining on your credit report;
- If National Credit Adjusters had obtained any judgments against you regarding such account(s), National Credit Adjusters has moved or will move to vacate that judgment against you; and,
- If National Credit Adjusters had any pending garnishments, levies, liens, restraining notices, or attachments relating to any judgments it obtained on such account(s), National Credit Adjusters has moved to release those holds.

This settlement was obtained by the Agency. Nothing in the settlement prevents or limits you from pursuing any right or remedy at law you may have or requires you to release any rights. Your choice to participate in any class action or other settlement with National Credit Adjusters does not affect your rights and remedies under this settlement.

If you have any further problems regarding the collection account(s) described above, including any improper attempts to collect on this account, or if you have any questions concerning this settlement, you can contact the Agency at 1-888-784-0136.

Sincerely,
National Credit Adjusters

ATTACHMENT 7

National Credit Adjusters, L.L.C.
327 West 4th Street
Hutchinson, Kansas 67501

[DATE OF MAILING]

[DEBTOR BUYER'S NAME]
[ADDRESS]
[CITY], [STATE] [ZIP]

To Whom it May Concern,

NCA has recently entered into a Consent Order with the Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the "Agency"). The Agency and NCA agreed that you should receive this notice.

As a part of this settlement, NCA has closed all Maryland accounts owned by NCA which the Agency has identified as void as those accounts were found to have been originated (a) by unlicensed issuers; or (b) with usurious interest rates in violation of Maryland state law. It is the Agency's position that such accounts are void and collecting on them constitutes violations of the Maryland Collection Agency Licensing Act, the Maryland Consumer Debt Collection Act and the Fair Debt Collection Practices Act.

You are receiving this letter as NCA, according to its records, has previously sold such accounts to your company. Attached, please find a spreadsheet of affected accounts previously sold to you.

Sincerely

Mark Fletchall
Chief Legal Officer for NCA