

**STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION  
DIVISION OF FINANCIAL INSTITUTIONS**

In the Matter of )  
 )  
Debt Free Angels ) No. 14CC292  
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To: Debt Free Angels  
4402 Vance Jackson Rd., Suite 230  
San Antonio, TX 78230-5347

**ORDER TO CEASE AND DESIST, PRODUCE DOCUMENTS AND PAY  
RESTITUTION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF FINANCIAL INSTITUTIONS (DFI), having performed an investigation related to the debt settlement business conducted by Debt Free Angels (DFA) pursuant to the Debt Settlement Consumer Protection Act, 225 ILCS 429 (Act) hereby issues this order (Order) for violations of the Act.

**STATUTORY PROVISIONS**

1. Section 10 of the Act states, in relevant part:

“Debt settlement provider” means any person or entity engaging in, or holding itself out as engaging in, the business of providing debt settlement service in exchange for any fee or compensation, or any person who solicits for or acts on behalf of any person or entity engaging in, or holding itself out as engaging in, the business of providing debt settlement service in exchange for any fee or compensation.

2. Section 10 of the Act states, in relevant part:

“Debt settlement service” means:

- (1) offering to provide advice or service, or acting as an intermediary between or on behalf of a consumer and one or more of a consumer’s creditors, where the primary purpose of the advice, service, or action is to obtain a settlement, adjustment, or satisfaction of the consumer’s unsecured debt to a creditor in an amount less than the

full amount of the principal amount of the debt or in an amount less than the outstanding balance of the debt, or

- (2) offering to provide services related to or providing services advertising, assisting or counseling a consumer to accumulate funds for the primary purpose of proposing or obtaining or seeking to obtain a settlement, adjustment, or satisfaction of the consumer's unsecured debt to a creditor in an amount less than the full amount of the principal amount of the debt or in an amount less than the current outstanding balance of the debt.

3. Section 15 of the Act states:

It shall be unlawful for any person or entity to act as a debt settlement provider except as authorized by this Act and without first having obtained a license under this Act.

4. Section 95(a) of the Act states, in relevant part:

The Secretary may issue a cease and desist order to any debt settlement provider or other person doing business without the required license when, in the opinion of the Secretary, the debt settlement provider or other person is violating or is about to violate any provision of the Act or any rule or condition imposed in writing by the Department.

5. Section 150(c) of the Act states, in relevant part:

Any contract for debt settlement service that does not comply with the applicable provisions of this Act:

- (1) shall be treated as void; and
- (2) may not be enforced by any federal or State court or any other person; and

Upon notice of a void contract, a refund by the debt settlement provider to the consumer shall be made as if the contract had been cancelled as provided in Section 135 of the Act.

### **FACTUAL FINDINGS**

6. DFA is a Texas company whose current principal place of business is 4402 Vance Jackson Rd., Suite 230, San Antonio, TX 78230-5347.
7. The DFI has information that DFA entered into a Debt Settlement contract with at least one consumer in Braidwood, Illinois in 2010. At that time, DFA's principal place of business was 4337 Vance Jackson Rd., Suite 100, San Antonio, TX.

8. DFA is not now and has never been licensed by the DFI pursuant to the Act.

### LEGAL FINDINGS

9. DFA violated Section 15 of the Act.

### NOW IT IS HEREBY ORDERED THAT,

1. DFA shall **CEASE AND DESIST** from providing debt settlement services without a license.
2. DFA is ordered to **PRODUCE DOCUMENTS** to DFI consisting of any and all records, files, account statements, and documents containing information relevant to the accounts of all active and inactive Illinois since 2010. DFA is ordered to report to the DFI any and all debt settlements, including settlement amounts, completed for Illinois consumers since 2010. All documents requested pursuant to this paragraph shall be produced by August 15, 2014 and delivered to the Consumer Credit Supervisor at the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions, 100 W. Randolph Street, 9<sup>th</sup> Floor, Chicago, IL 60601.
3. All contracts entered into between DFA and Illinois consumers are **VOID** and DFA shall pay full **RESTITUTION** to all Illinois consumers pursuant to Section 150 of the Act.

Pursuant to Section 95(c) of the Act, the Secretary shall serve notice of his action, including a statement of the reasons for his actions either personally or by certified mail, return receipt requested. Service by mail shall be deemed completed if the notice is deposited in the U.S. Mail. Within 10 days after service of the Order, DFA may request, in writing, a hearing.

Dated this 27th day of June 2014.

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Francisco Menchaca, Director  
Division of Financial Institutions