

**STATE OF VERMONT
WASHINGTON COUNTY, SS.**

STATE OF VERMONT,)	
Plaintiff)	
)	
v.)	Washington Superior Court
)	Docket No. _____
CSA—CREDIT SOLUTIONS OF)	
AMERICA, LLC, DOUG VAN ARSDALE,)	
and MATT REVITT,)	
Defendants)	

CONSUMER FRAUD COMPLAINT

I. Introduction

1. The Vermont Attorney General brings this suit under the Vermont Consumer Fraud Act in response to consumer fraud violations by a Texas-based “debt settlement company” and its current and former chief executives, including (a) the use of unsubstantiated “results” claims to advertise their services, (b) failure to properly notify consumers of their right to cancel their contract with the company, (c) use of an advance-fee structure that amounted to an unfair trade practice, and (d) non-compliance with many provisions of the Vermont Debt Adjusters Act. The Attorney General seeks injunctive relief, restitution and other compensation to consumers, civil penalties, fees and costs, and other appropriate relief.

II. Parties

2. Defendant CSA—Credit Solutions of America, LLC, is a Delaware limited liability corporation with offices at 12700 Park Central Drive, 21st Floor, Dallas, Texas, 75251, that is engaged in the business of settling consumer debts.

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

3. CSA—Credit Solutions of America, LLC, is the surviving entity of a December 2009 merger with CSA—Credit Solutions of America, Inc., the Texas corporation that, as described in this Consumer Fraud Complaint, violated Vermont law in a number of respects in the course of marketing and selling debt settlement services to Vermont residents.

4. CSA—Credit Solutions of America, LLC, is successor to, and is legally liable for the conduct of, CSA—Credit Solutions of America, Inc., for several reasons, including the two companies' statutory merger, and the fact that the limited liability corporation is a mere continuation of its predecessor company's business.

5. Defendant Doug Van Arsdale is a resident of Texas. According to corporate records, in December 2003 he founded CSA—Credit Solutions of America, Inc., where he served as Chief Executive Officer, Director and Registered Agent until November 2007. In March 2008, he resumed his positions as Chief Executive Officer and Registered Agent of the corporation. In addition, in February 2005, Defendant Van Arsdale founded CSA—Credit Solutions of America, LLC, in Texas, of which he served as Manager and Governing Person, and which in December 2009 became a domestic limited liability corporation in Delaware.

6. Defendant Matt Revitt is a resident of Texas. From November 2007 to March 2008 he was Chief Executive Officer of CSA—Credit Solutions of America, Inc., and from June 2007 to February 2008 he was that company's Registered Agent.

7. In addition, Defendants Van Arsdale and Revitt were sole owners of CSA—Credit Solutions of America, Inc., at different times: Defendant Van Arsdale from December 2003 to December 2006, and from November 2007 until December 2009; and Defendant Revitt from December 2006 to November 2007.

8. For the purposes of the remainder of this Consumer Fraud Complaint, CSA—Credit Solutions of America, Inc., and CSA—Credit Solutions of America, LLC, will be referred to as “Credit Solutions of America.”

9. On information and belief, Defendants Van Arsdale and Revitt, between them, were personally liable for the conduct of Credit Solutions of America described in this Consumer Fraud Complaint through their authority to control, their actual or constructive knowledge of, and their participation in, that conduct.

10. The Vermont Attorney General is authorized under the Vermont Consumer Fraud Act, 9 V.S.A. § 2458(b), to sue to enforce the Act’s prohibitions on unfair and deceptive acts and practices in commerce.

11. This Court has personal jurisdiction over Defendants and is the proper venue for this action, based on the marketing and sale of Credit Solutions of America’s program throughout Vermont, including in Washington County.

12. This action is in the public interest.

III. Facts

A. Background and Fees

13. At all times relevant to this action, Credit Solutions of America held itself out as a “debt settlement” company offering to negotiate reductions in the principal amount of consumers’ debts.

14. Credit Solutions of America charged consumers “service fees” of 15 percent of the debt enrolled in its program. Thus, a consumer with \$40,000 in debts owed Credit Solutions of America fees totaling \$6,000.

15. Credit Solutions of America's program required consumers to make monthly payments into a bank account, out of which service fees and accumulated funds for settlements with creditors were electronically drawn by the company.

16. Credit Solutions of America's fees were not dependent on the company's success in settling consumers' debts; they were not even spread over the length of time that it took consumers to accumulate enough funds to pay off their debts. Rather, fees were charged in advance of the performance of some or all of the company's services: early payments went to the company; later payments went in part for fees and in part for debt settlement; and only after all fees were paid did the full amount of payments go for debt settlement.

17. A sample "Customer Enrollment Package" and Agreement is attached as Exhibit 1.

18. For example, the Credit Solutions of America Agreement entered into by Vermont consumer B.M. required the payment of \$5,283.45 in service fees over the first 17 monthly installments of the payment schedule, including the entirety of each of the first three installments of \$538.13 each, plus \$262.08 out of each of the next 14 installments.

19. This method of doing business takes advantage of the fact that consumers in financial distress often find it difficult, if not impossible, to pay their debt settlement company's fees and then continue to make payments sufficient to settle their debts.

20. Credit Solutions of America's use of advance fees was declared to be an unfair trade practice in the context of telemarketing by the Federal Trade Commission in a recent Notice of Proposed Rulemaking:

It appears that requesting or receiving payment of a fee for any debt relief [i.e., debt settlement] service before the seller has provided the customer with documentation that the promised services have been rendered meets the criteria for unfairness. ... Taking money without providing anything in return cause[s] substantial harm to consumers without any countervailing benefits to consumers or competition. [74 Fed. Reg. 41988, 42005-06 (Aug. 19, 2009) (footnotes omitted).]

21. Credit Solutions of America did business in Vermont from January of 2004 until at least 2007.

22. Credit Solutions of America entered into Agreements with over 100 Vermont consumers, who paid a total of approximately \$130,000 to the company.

23. Vermont consumers complain that Credit Solutions of America did little of value for them and in fact, by instructing them to stop paying their debts, created added problems with their creditors, including being pursued by collection agents and sued by their creditors.

B. Internet Advertising

24. Credit Solutions of America advertised its debt settlement services on the Internet with claims about the results that consumers could expect from its services, including:

- a. "Become Debt Free In Less Than 36 Months."
 - b. "Affordable Monthly Payments Settle Debts For 40%-60% Off Balance."
 - c. "It [debt settlement] specifically reduces your current outstanding total balances 40-60%."
 - d. "Reduce your debt 60% in seconds!"
 - e. "Reduce your debt 50-75% in seconds!"
 - f. "When you hire us, we negotiate with your creditors to settle your outstanding balance by eliminating 40-60% of your debt."
 - g. "Reduce Total Balances 40-60%."
 - h. "Most of our clients become debt free within 36 months or less."
25. Three sample web pages are attached as Exhibit 2.

26. Despite requests by the Attorney General's Office for factual substantiation of the typicality of these claimed reductions in the amount of consumers' debts, the only data Credit Solutions of America produced on settlements with creditors was that for Vermont consumers as of June of 2009, the "completion" rate was 14 percent—far from typical.

C. Right to Cancel Disclosures

27. Many, if not all of Credit Solutions of America's debt settlement contracts with Vermont residents were solicited or consummated wholly or in part over the telephone.

28. Credit Solutions of America's telephonic marketing script contained no oral disclosure of any right to cancel.

29. Credit Solutions of America appears to have notified consumers in writing of their right to cancel their Agreement with the company, including this short statement above the signature line on the Agreement:

NOTICE

YOU THE BUYER MAY CANCEL THIS AGREEMENT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD DAY AFTER THE DATE OF THE TRANSACTION. SEE NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

30. However, in the paragraph following the above statement there appeared the following contradictory language:

CLIENT WILL BE OBLIGATED TO PAY CREDIT SOLUTIONS THAT PORTION OF THE TOTAL FEES ALREADY EARNED BY COMPANY IN ACCORDANCE WITH PARAGRAPH 13 OF THIS AGREEMENT. [Emphasis added.]

31. Paragraph 13 of the Agreement in turn described the installment payments to be made by the consumer to Credit Solutions of America, including the "service fees" due the company. The first of these installments was sometimes, if not often, due as early as the date of the Agreement.

32. For example, the Credit Solutions of America Agreement entered into by Vermont consumer B.M. was dated January 12, 2007. B.M.'s first monthly payment of \$538.13 in fees (out of a fee total of \$5,283.45) under Paragraph 13 of the Agreement was due the same day and thus was arguably "already earned by the company" and not refundable.

33. Credit Solutions of America also appears to have provided consumers with a "Notice of Cancellation," as referred to in the company's Agreement.

34. That Notice of Cancellation offered a right to cancel lasting for "three (3) days" (not three business days); required the consumer both to fax and to mail any cancellation request in order to obtain a refund; and gave Credit Solutions of America 30 days after receipt of a cancellation request to provide a refund—all of which terms, as noted below, violated Vermont law, as did the lack of oral notice and the "fees already earned" proviso.

D. Licensure and Related Facts

35. Credit Solutions of America never obtained a license as a "debt adjuster" under Vermont's Debt Adjusters Act, 8 V.S.A. § 4862.

36. Credit Solutions of America also never paid any fees to the State of Vermont under the Act, 8 V.S.A. § 4864, obtained a bond under 8 V.S.A. § 4865, made payments to creditors at least once every 30 days as required by 8 V.S.A. § 4870a, or limited the fees it charged to consumers to a \$50.00 initial setup fee plus ten percent of any payment intended for distribution to creditors under 8 V.S.A. § 4872.

E. Other Governmental Actions

37. Credit Solutions of America has been sued for engaging in unfair and/or deceptive acts or practices or similar conduct by the Attorneys General of Florida, Illinois, Maine, New York, and Texas.

IV. First Count: Lack of Substantiation

38. The allegations set forth above are realleged herein.

39. As a matter of law, advertisers are required to have prior reasonable factual substantiation for any marketing claims they make.

40. Defendants marketed their services using advertisements on the Internet that contained the results claims described above.

41. However, they had no prior reasonable factual substantiation to support those results as what consumers could typically expect to achieve and thus violated the Vermont Consumer Fraud Act, 9 V.S.A. § 2453(a).

V. Second Count: Violations of Vermont's Right to Cancel Requirements

42. The allegations set forth above are realleged herein.

43. Under the Vermont Consumer Fraud Act, "home solicitation sales" are subject to a three-business-day right to cancel, 9 V.S.A. § 2451a (d).

44. A "home solicitation sale" includes a transaction "solicited wholly or in part by telephone with a consumer at the residence or place of business or employment of the consumer," 9 V.S.A. § 2451a(d).

45. Title 9 V.S.A. § 2454, and, for telemarketing, the Vermont Attorney General's Consumer Fraud Rule (CF) 113, available at <http://www.atg.state.vt.us/display.php?smod=131>, describe the kinds of disclosures of this right to cancel that must be made by a seller of goods or services.

46. Under CF 113.02(a), in every telephonic home solicitation sale, the seller must furnish to the consumer, prior to debiting a bank account or otherwise initiating payment, a receipt or contract of sale containing the date of the transaction, the name and address of the

seller, and, in immediate proximity to the signature line on the contract or on the front page of the receipt and in ten-point boldface type, the following notice:

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date you receive both this contract or receipt and the complete notice of cancellation explaining this right as required by Vermont law, which should be attached.

47. CF 113.02(b) also requires the seller to send to the consumer, again prior to initiating payment, two copies of a long-form notice of cancellation, attached to the contract or receipt and easily detachable, which notice must contain the following information in ten-point boldface type:

NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within three business days of receiving this notice and a contract or receipt pertaining to the transaction.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to [name of seller] at [address of seller's place of business] no later than midnight of the third business day after you receive this notice and your contract or receipt.

48. In addition to the two written notices described above, the seller in a telephonic sale must *orally* inform the consumer of his or her right to cancel the transaction prior to the buyer's receipt of those written notices, CF 113.02(c).

49. Failure to comply with CF 113 is an unfair and deceptive act and practice in commerce under the Consumer Fraud Act, CF 113.05.

50. Defendants' transactions with Vermont consumers were home solicitation sales within the meaning of the Consumer Fraud Act and thus required a three-business-day right to cancel with disclosures prescribed by the Act and CF 113.

51. Defendants violated their obligations with respect to this right to cancel in the following respects and thus violated the Consumer Fraud Act, 9 V.S.A. §§ 2453(a) and 2454, and CF 113:

a. On information and belief, Defendants did not provide the required oral notice of the right to cancel;

b. Defendants' provided a right to cancel that lasted only three days, not the required three *business* days, which, over a weekend, meant that the right to cancel was two days shorter than it should have been, and over a holiday weekend was three days shorter;

c. Defendants compelled consumers both to mail *and* to fax their cancellation request, rather than simply to mail, deliver, *or* telegraph the request;

d. Defendants tripled the length of time that they had to pay a refund, from the statutory ten days to 30; and

e. Defendants inserted language in the Credit Solutions of America Agreement, close to the "short-form" notice of the right to cancel, that undercut that right, by stating, without qualification, that consumers would be "obligated to pay ... *that portion of the total fees already earned.*" In Agreements requiring payment of the first month's fee on the same

day as the Agreement, as in the example cited in this Complaint (or within three business days of the Agreement), that provision appeared to bar a refund of the first month's fee, which could be substantial, and thus served to undercut the consumer's entitlement to a full refund.

VI. Third Count: Advance Fees as an Unfair Trade Practice

52. The allegations set forth above are realleged herein.

53. Defendants' imposition of fees on Vermont consumers in advance of performing debt settlement services was an unfair trade practice in violation of the Consumer Fraud Act, 9 V.S.A. § 2453(a).

VII. Violations of Vermont Debt Adjusters Act and Consumer Fraud Act

54. The allegations set forth above are realleged herein.

55. The business of Credit Solutions of America fell within the definition of "debt adjustment" under 8 V.S.A. § 4861(2) and was thus subject to licensure under the Vermont Debt Adjusters Act, 8 V.S.A. ch. 133.

56. At no time relevant to this Complaint did Credit Solutions of America or the individual Defendants possess a Vermont debt adjuster license.

57. Defendants also violated the Vermont Debt Adjusters Act by failing to (1) pay the fees or obtain the bond provided for by 8 V.S.A. §§ 4862 and 4864-4865; (2) include in their Agreement the right-to-cancel disclosure provided for by 8 V.S.A. § 4869a(b); (3) make payments to creditors at least once every 30 days as provided for by 8 V.S.A. § 4870a; or (4) limit their fee for services to the \$50.00 initial setup fee plus ten percent of any payment received by the company for distribution to credits, as provided for by 8 V.S.A. § 4872.

58. Defendants' violation of the above-described sections of the Debt Adjusters Act was also an unfair trade practice in violation of the Consumer Fraud Act, 9 V.S.A. § 2453(a).

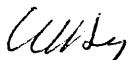
WHEREFORE Plaintiff State of Vermont requests judgment in its favor and the following relief:

1. A permanent injunction prohibiting Defendants from engaging in any business activity in, into or from Vermont that violates the Consumer Fraud Act or related federal authorities.
2. Full restitution to all Vermont consumers who paid money to Defendants, and payments to further compensate those consumers who suffered damage as a result of actions by creditors that were triggered by Defendants' conduct.
3. Civil penalties of up to \$10,000.00 for each violation of the Consumer Fraud Act.
4. The award of investigative and litigation costs and fees to the State of Vermont.
5. Such other relief as the Court deems appropriate.

Dated: 5/27/10

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: 
Elliot Burg
Assistant Attorney General
Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609
Tel. (802) 828-2153

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05609

Exhibit 1

CONFIDENTIAL



CREDITSOLUTIONS.COM

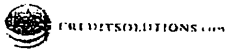
Customer Enrollment Package

**This package was created for [REDACTED]
and contains 8 pages.**

Presented By:

Ernestine Day
Debt Consultant

Credit Solutions
15601 Dallas Parkway, Suite 700
Addison, TX 75001
Toll Free Direct: 1-800-357-1363
Fax: 214-276-1841
www.creditsolutions.com



Dear [REDACTED]

Credit Solutions congratulates you on taking control of your financial future. Thank you for allowing us to provide you with the most effective solution to your debt elimination needs. As a valued Credit Solutions client, you can be assured that all your questions and concerns will be answered during the entire settlement process as we help you regain control of your personal finances. Credit Solutions will make this as easy and painless as possible. We will be here to assist you every step of the way.

Here at Credit Solutions we want to thank you for your decision to let us help you work through this difficult time. You are now taking the first steps to getting back on track. Leave the rest up to us... Congratulations and Welcome Aboard!

Credit Solutions Estimated Settlement Plan Cost	
Total Unsecured Debt:	\$35,223.29
Estimated Settlement Amount:	\$14,089.20
Credit Solutions Service Fee:	\$5,283.45
Total Debt Elimination Cost:	\$19,372.65
Total Debt Savings:	\$15,850.35
Estimated Monthly Budget Payments:	\$538.13

Credit Solutions Service Fee Payment Schedule	
Credit Solutions Total Service Fee:	\$5,283.45
3 Initial Payments of:	\$538.13
Credit Solutions Initial Payment Total:	\$1,614.39
Remaining Service Fee Balance:	\$3,669.06
14 Monthly Service Fee Payments of:	\$262.08
Total Months to pay off Service Fee:	17

Estimated Personal Savings Plan For Payments to Creditors**	
Estimated Settlement Amount:	\$14,089.20
Savings Budget During Initial Payments:	Optional
Minimum Savings During Remaining 14 Service Fee Payments:	\$276.05
Minimum Personal Savings Payments after Credit Solutions Fee is paid:	\$538.13
Total payments towards savings after all payments:	19
Estimated Debt Free Time Frame:	36 Months

**The estimated personal saving plan is the *minimum* suggested for payoff of your enrolled accounts. This is money you deposit in your personal savings account at the bank of your choice. Credit Solutions does not withdraw this money from your bank account.

Credit Solutions highly recommends that any additional funds which may become available be allocated towards your personal savings account. You are encouraged to add as much towards savings as possible. It is to your advantage to do so. The quicker you save money, the sooner you can get your enrolled debts resolved.

Electronic Funds Transfer Authorization

Electronic Debit of Service Fee Summary

Program Start Date:	January 12th, 2007	3 Initial Monthly Payments of:	\$538.13
Remaining Service Fee Start Date:	April 12th, 2007	14 Monthly Service Fee Payments of:	\$262.08

****Important:** The above schedule is the Credit Solutions recommended service fee payment schedule. Any date changes of your scheduled EFT Debit, Credit Solutions service fee payments, require a minimum of five(5) business days notice. The above schedule does not include the minimum personal savings deposits of \$538.13 you are making into the bank of your choice starting on June 12th, 2008.

Electronic Funds Transfer Authorization

Financial Institution: [REDACTED] Address: ,	Name On Bank Account : [REDACTED] Routing/ABA #: [REDACTED] Account Number: [REDACTED] Account Type: [REDACTED]
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Credit Solutions Terms of Agreement

Important - Please read before signing:

1. Parties. This entire AGREEMENT is made this 12th Day of January, 2007. Between: [REDACTED] (hereinafter referred to as "CLIENT", even if more than one person) and CSA - Credit Solutions of America, Inc. (hereinafter referred to as "COMPANY") which is located at 15601 Dallas Parkway, Suite 700, Addison, Texas 75001.

2. Effective Dates and Terms of Agreement. The AGREEMENT will take effect as of the date stated in paragraph 1, but the effective date will be retroactive to the date COMPANY first provided services. This AGREEMENT will terminate when all of CLIENT'S enrolled accounts have been resolved or upon termination by either party as provided below.

3. Subject Matter of Agreement. The subject matter of this representation of Client by COMPANY is for the resolution of outstanding debts through negotiation and settlement with the following creditors:

1. First National Bank of Omaha	2. Bank of America		
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4. General Obligations of COMPANY. a) COMPANY will maintain the confidences and secrets of CLIENT. b) COMPANY will promptly and efficiently perform the duties described within the AGREEMENT, keep Client reasonably informed of progress, and respond promptly to inquiries and communications from CLIENT. c) COMPANY will notify CLIENT'S enrolled creditors within 72 hours of initial payment to COMPANY and request all telephone communications from creditors be directed the COMPANY corporate office. d) When appropriate, COMPANY will respond, or assist CLIENT in responding, to any communication between CLIENT and CLIENT'S enrolled creditors. e) Upon verification from CLIENT, of funds availability, COMPANY will facilitate negotiation and settlement of CLIENT'S enrolled credit accounts.

5. General Obligations of Client. a) CLIENT agrees to be truthful and cooperative; to promptly notify COMPANY of any phone number or address changes; and to promptly forward all correspondence from creditors to COMPANY. b) CLIENT will fill out and return any and all papers and questionnaires supplied by COMPANY WITHIN FIVE DAYS; to reasonably respond to communications; c) CLIENT will reasonably consider COMPANY's recommendations regarding any potential settlements; and to not circumvent the settlement process or otherwise act in bad faith. d) CLIENT will inform COMPANY of any credit account(s) that may have a cosigner, may be secured by personal property or wages, or any accounts that are not enrolled with COMPANY and are held by the same creditor of an enrolled account, prior to enrollment with COMPANY. e) CLIENT will submit WITHIN FIVE DAYS anything CLIENT feels COMPANY should review in furtherance of CLIENT'S representation including but not limited to: correspondence, letters, records, receipts, bills statements, evidence, legal papers, and/or judgments.

6. Obligations of Both Parties Regarding Settlements. a) COMPANY will inform CLIENT of the amount, and the terms and conditions of all written settlement offers. b) COMPANY will not settle CLIENT'S account without approval of CLIENT, who possesses the absolute right to accept or reject any settlement offer. c) CLIENT understands the settlement of last account with not be finalized until CLIENT pays the balance of the fees due to COMPANY under this AGREEMENT. d) CLIENT will notify COMPANY IN WRITING by mail, email, or facsimile of any settlement offers made directly to CLIENT, verbally or written, from any enrolled creditor. e) CLIENT WILL MAKE ALL SETTLEMENT PAYMENTS DIRECTLY TO CREDITOR. f) All outstanding fees must be paid to COMPANY before the last settlement can be finalized.

7. **Compensation.** In consideration for debt negotiation and settlement services provided by COMPANY, CLIENT will pay to COMPANY a service fee equal to 15% of CLIENT'S total debt enrolled with COMPANY. Service fees will be paid according to paragraph 13: Service Fee payment schedule. CLIENT authorizes COMPANY to initiate debit of CLIENT'S bank account in accordance with the attached Electronic Funds Transfer Authorization for payment of the service fee. The attached Electronic Funds Transfer Authorization is hereby incorporated into this AGREEMENT by reference. CLIENT shall not instruct the bank holding any account from which COMPANY is authorized to draw funds to refuse payment or demand reimbursement without the express written concurrence of COMPANY. Any such action constitutes material breach of this agreement and gives grounds for termination of this agreement. No payment reschedule will be authorized within five business days of a scheduled payment date. Pertinent Document Requirements. CLIENT must submit a complete financial profile to COMPANY WITHIN FIVE (5) BUSINESS DAYS including all correspondence, letters, records, receipts, bills, statements, evidence, legal papers, judgments and anything the CLIENT feels COMPANY should review in furtherance of CLIENT'S representation.

8. **Service Guarantee.** If COMPANY is unable to settle an enrolled account, COMPANY will refund to CLIENT, an amount equal to 15% of that particular account balance at initial enrollment. CLIENT must have sufficient funds to settle the account in order to be eligible for service guarantee.

9. **Acknowledgement and Disclaimers.** CLIENT expressly acknowledges that COMPANY does not provide investment, tax, or legal advice of any kind. If CLIENT needs legal advice, legal expertise or court filings, CLIENT should consult with an attorney. CLIENT agrees COMPANY has not represented it will assist CLIENT in the modification, improvement or correction of credit entries on CLIENT'S credit reports or that COMPANY can stop all collection telephone calls or correspondence. CLIENT understands this AGREEMENT is not a "debt consolidation" agreement and COMPANY will not disburse any funds to any CLIENT creditor accounts. CLIENT understands debts less than one thousand dollars (\$1000.00) may require payment of the full balance due at the time of settlement and are therefore not subject to the service guarantee stated above.

CLIENT understands contracted credit accounts will continue to accrue interest and/or late fees until accounts are settled. CLIENT also understands creditors may continue to impose other penalties as a result of delinquent payments, including but not limited to: the reporting of adverse information to credit bureaus, the filing of a lawsuit to collect subject debts if the creditor is unwilling to accept a settlement offer, or CLIENT is unable to propose a settlement offer acceptable to the creditor. CLIENT understands the services of COMPANY may have a negative impact on some clients' credit reports. CLIENT understands the discharge of indebtedness may be considered taxable income to CLIENT.

CLIENT acknowledges that COMPANY has not nor shall it take any actions to disrupt the relationship between CLIENT and any creditors or persons with whom CLIENT has any contractual or business relationship. CLIENT further acknowledges that COMPANY has not provided CLIENT with any advice or recommendations regarding the reduction or termination of payments to creditors. CLIENT has engaged COMPANY for the sole purpose of negotiating a resolution of said creditors within the AGREEMENT.

10. **Arbitration of Dispute.** - If there is any dispute between the parties arising out of this agreement, the parties agree to submit that dispute to binding arbitration under the auspices of the of the American Arbitration Association (AAA). If such arbitration is held under the auspices of any other organization, the arbitration will be held in accord with AAA rules to the extent possible. Binding arbitration means that both parties give up the right to a trial by jury and to appeal except for a narrow range of issues that may be appealed under Texas law. Discovery may be limited by the arbitrator.

11. **Choice of Law and Jurisdiction.** - In the event of any dispute regarding this AGREEMENT including but not limited to service fees and costs, CLIENT and COMPANY agree that venue of resolution shall be in the county and city of Dallas, Texas. Both COMPANY and CLIENT agree that the laws of the State of Texas shall govern any disputes arising from this AGREEMENT.

12. Client Payments to Creditors. CLIENT agrees to budget in personal savings \$276.05 per month for 14 months, beginning April 12th, 2007, then \$538.13 per month, all on the 12 day of the month beginning June 12th, 2008. These funds are budgeted for ultimate distribution to creditors, and will be budgeted until all contracted creditors are settled in full. CLIENT will make all settlement payments directly to creditors.

13. **SERVICE FEES:**

Credit Solutions charges a 15% service fee for all services provided.		
	Total Service Fee: \$5,283.45	Initial Payment Total: \$1,614.39
Payment Schedule 1st Payment:	538.13	Due On: Jan 12th, 2007
Payment Schedule 2nd Payment:	538.13	Due On: Feb 12th, 2007
Payment Schedule 3rd Payment:	538.13	Due On: Mar 12th, 2007
Remaining Service Fee Payment Schedule	14 total remaining payments of: 262.08	Beginning On: April 12th, 2007

14. Discharge or Withdrawal. Either party may discharge the other by written notice when received by the discharged party. CLIENT will be obligated to pay COMPANY that portion of the service fees earned by COMPANY according to the attached payment schedule.

Client/Creditor Relationship Statement

IN ENTERING INTO THIS AGREEMENT, CLIENT REPRESENTS THAT "CSA - CREDIT SOLUTIONS OF AMERICA, INC." HAS NOT, AND FURTHER UNDERSTANDS CSA - CREDIT SOLUTIONS, INC. SHALL NOT, TAKE ANY ACTIONS TO DISRUPT THE RELATIONSHIP BETWEEN CLIENT AND ANY CREDITORS OR PERSONS WITH WHOM CLIENT HAS ANY CONTRACTUAL OR BUSINESS RELATIONSHIP. THE CLIENT FURTHER REPRESENTS CREDIT SOLUTIONS HAS NOT PROVIDED CLIENT WITH ANY ADVICE OR RECOMMENDATION REGARDING THE ADVISABILITY OF REDUCING OR TERMINATING PAYMENTS TO CLIENTS CREDITORS. **CLIENT HAS ENGAGED CREDIT SOLUTIONS FOR THE SOLE PURPOSE OF NEGOTIATING A RESOLUTION WITH SAID CREDITORS WITHIN THE AGREEMENT.** CLIENT FURTHER INTENDS, BY THIS AGREEMENT, TO CREATE A CONFIDENTIAL RELATIONSHIP WITH CREDIT SOLUTIONS IN REGARD TO RESOLVING ANY OUTSTANDING CREDITOR CLAIMS, SUITS, OR JUDGMENTS.

I VERIFY THAT I HAVE READ, UNDERSTAND AND AGREE WITH THE ABOVE CLIENT/CREDITOR RELATIONSHIP STATEMENT AND I FURTHER AGREE AND UNDERSTAND THAT "CSA - CREDIT SOLUTIONS, INC." HAS NOT AND SHALL NOT TAKE ANY ACTIONS, VERBAL OR OTHERWISE, TO DISRUPT THE CLIENT/CREDITOR RELATIONSHIP. I HAVE ENGAGED CREDIT SOLUTIONS FOR THE SOLE PURPOSE OF NEGOTIATING A RESOLUTION WITH SAID CREDITORS WITHIN THE AGREEMENT.

Credit Solutions Terms of Agreement

NOTICE

"YOU THE BUYER MAY CANCEL THIS AGREEMENT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD DAY AFTER THE DATE OF THE TRANSACTION. SEE NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."

This written AGREEMENT constitutes the full and complete agreement between CLIENT and CSA - CREDIT SOLUTIONS OF AMERICA, INC. and supersedes any and all other agreements or understandings whether written or oral. CLIENT verifies by signing below that CLIENT has read and understands the above AGREEMENT and has been provided a copy for personal records.

CLIENT WILL BE OBLIGATED TO PAY CREDIT SOLUTIONS THAT PORTION OF THE TOTAL FEES ALREADY EARNED BY COMPANY IN ACCORDANCE WITH PARAGRAPH 13 OF THIS AGREEMENT.

As a duly authorized check signer on the financial institution account identified above, I/We authorize Credit Solutions of America, Inc. to perform scheduled electronic funds transfer debits from my/our account identified above for service fee payments due, or when applicable, apply electronic funds transfer credits to the same account. This applies to check by phone payments as well as any other electronic payment. For accounting purposes, all electronic debits and/or credits will be reflected in the monthly bank statement that corresponds with the financial institution account identified above.

I/We understand and authorize all of the above as evidenced by my/our signature below

X



MAKE A COPY OF THIS CANCELLATION NOTICE AND RETAIN IT FOR YOUR RECORDS

"NOTICE OF CANCELLATION"

You may cancel this agreement, without any penalty or obligation, within three(3) days after the Agreement signature date on page 2 of the Credit Solutions Client Service Agreement. If you cancel, the seller will return any payment made by you under this contract within 30 days after the date of receipt of your cancellation notice. To cancel this contract fax a copy of this notice to (214) 853-5997 then mail the original signed dated copy of this cancellation notice postmarked no later than midnight CST of the third day after your dated signature on page 2 of the agreement. By signing below, you agree to cancel all services and representations of CSA - Credit Solutions of America, Inc. Please detach and mail written notice to:

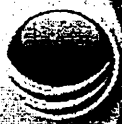
**CSA - Credit Solutions of America, Inc.
15601 Dallas Parkway, Suite 700
Addison, Texas 75001**

Print Name:

Sign X:

Date:

Exhibit 2



Reduce your debt 60% in seconds!

Please fill out the form below to learn how to reduce your debt!

*Must be 18 years of age & US Currency

x

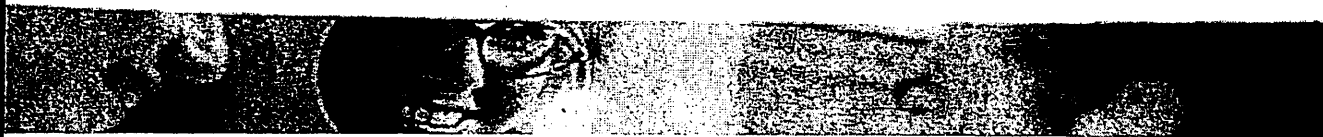
First Name:	Last Name:
<input type="text"/>	<input type="text"/>
Address:	City:
<input type="text"/>	<input type="text"/>
State:	Zip Code:
-> select state	<input type="text"/>
Day Phone:	Evening Phone:
ex: 555-555-1212	ex: 555-555-1212
<input type="text"/>	<input type="text"/>
Email Address:	Total Amount of Unsecured debt (minimum \$7,500):
<input type="text"/>	-> select amount
Contact Time:	<input type="button" value="Submit"/>
-> select best time	

[Privacy](#) | [Contact Us](#)

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Credit Solutions does not provide legal, tax or investment advice. If you need legal advice, legal expertise or court filings, you must seek the advice of a licensed attorney. Individual results may vary.

2006



Reduce your debt 50-75% in seconds!

Please fill out the form below to learn how to reduce your debt!

*Must be 18 years of age & US Currency

Enjoy these benefits...

- ✓ Reduce Total Balances 60%
- ✓ One Simple, Low Monthly Payment
- ✓ Avoid Bankruptcy
- ✓ No Credit Checks
- ✓ Home Ownership Not Required
- ✓ Regain Financial Control
- ✓ Get Out of Debt in 12-36 Months

First Name	Last Name
<input type="text"/>	<input type="text"/>
Address	City
<input type="text"/>	<input type="text"/>
State	Zip Code
Please Select State	<input type="text"/>
Day Phone	Night Phone
<input type="text"/>	<input type="text"/>
Email Address	Total Amount of your Unsecured Debts (Minimum \$7,500)
<input type="text"/>	--Select an Amount--
Best time to contact you	<input type="button" value="Submit"/>
--Select Best Time--	

Call Us Today... We can help !

Toll free 800-353-7630

Phones Answered 24 hours / 7 days

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The clear choice for most people is Credit Solutions™



As featured on MSNBC



[Six Easy Ways to Save Money and Lower Debt. Click here to use our Free Assessment Tools!](#)

Debt Consolidation / Credit Consolidation by Credit Solutions

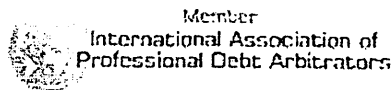
Have you ever stopped to consider how long it will take you to become debt free? Making the minimum monthly payments on just \$10,000 at 19% interest could take up to 20 years to pay off. For many Americans, this reality has become more prevalent than ever before. In today's economy, millions of Americans are desperately seeking an alternative to resolving financial debt in a quick, affordable manner. Today, the most intelligent and effective way to reduce or eliminate personal debt is through negotiation and debt settlement. When you hire us, we negotiate with your creditors to settle your outstanding balance by eliminating 40-60% of your debt. This innovative approach to debt consolidation makes sound financial sense when facing the overwhelming burden of regaining control of high credit card balances.

Credit Solutions Debt Consolidation Program can help you!

- Ⓢ Become Debt Free In Less Than 36 Months
- Ⓢ Avoid Bankruptcy
- Ⓢ Affordable Monthly Payments & Settle Debts For 40%-60% Off Balance
- Ⓢ Settle Credit Cards, Medical Bills, Auto Repossessions, Or Any Unsecured Line Of Credit

Get started today!

Please fill out the form below to learn how to reduce your debt!



* Required Fields

* First Name:

* Day Phone: ex: 555-555-1212

* E-Mail Address:

Total Amount of Unsecured debt: (minimum \$7,500)
-> select amount

Contact Time:
-> select best time

Credit Solutions team of Certified Debt Arbitrators has relationships with thousands of consumer lending institutions. Once enrolled in our credit consolidation program, you will have the expertise of the entire Credit Solutions staff assisting you on a one on one basis. It is important to remember that we work for you and not your creditors, so you can rest knowing that we have your best interest in mind throughout the entire negotiation and debt settlement process. Our unique credit consolidation program is truly the best method for getting rid of your overwhelming debt problem within a matter of months.

If you have any questions about our innovative approach to debt consolidation or how to get assistance with your current financial situation please contact us for a free debt consolidation consultation. Either fill out the [form online](#) or call 800-353-7630 to get started today.