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IN RE BOSTON DEBT)
SOLUTIONS, LLC)

Washington Superior Court
Docket No. 130-20-0000

ASSURANCE OF DISCONTINUANCE

WHEREAS Boston Debt Solutions, LLC (“Boston Debt Solutions”) is a Massachusetts limited liability corporation with offices at 10 Lomas Circle in Framingham, Massachusetts 01701, that is engaged in the business of settling consumer debts;

WHEREAS Boston Debt Solutions offers to negotiate with its customers’ creditors reductions in the amounts due to the creditors;

WHEREAS Boston Debt Solutions charges its customers (1) a retainer fee of the greater of \$795.00 or 3 percent of the customer’s total debt, (2) in the event a debt is settled for less than 55 percent of the amount due, a “performance-based” fee of the difference between the settlement amount and the 55 percent figure; and (3) in the event of cancellation, a \$250.00 fee;

WHEREAS Boston Debt Solutions entered into contracts with four Vermont consumers to provide its debt settlement services;

WHEREAS some of those consumers were subsequently sued by creditors;

WHEREAS the business of Boston Debt Solutions falls within the definition of “debt adjustment” under 8 V.S.A. § 4861(2) and is thus subject to licensure under the Vermont Debt Adjusters Act, 8 V.S.A. ch. 133;

Office of the
ATTORNEY
GENERAL
109 State Street
Montpelier, VT
05609

WHEREAS Boston Debt Solutions never applied for or obtained a debt adjuster license under that statute;

WHEREAS Boston Debt Solutions also did not (1) pay the fees or obtain the bond required by 8 V.S.A. §§ 4862 and 4864-4865; (2) include in its Debt Settlement Agreement with its customers a disclosure to the effect that debt adjustment plans are not suitable for all debtors, or a list of the debts covered by the Agreement and their respective interest rates, as required by 8 V.S.A. § 4869(b)(2) and (6); (3) include in the Agreement the right-to-cancel disclosure required by 8 V.S.A. § 4869a(b); (4) provide quarterly debt statements to its customers as required by 8 V.S.A. § 4869c; or (5) make payments to creditors at least once every 30 days as required by 8 V.S.A. § 4870a;

WHEREAS Boston Debt Solutions also included in its Debt Settlement Agreement a prepayment charge (the \$250.00 cancellation fee) prohibited by 8 V.S.A. § 4869b;

WHEREAS Boston Debt Solutions did not adequately disclose the risks (including the risk of being sued) associated with turning accounts over to the company and not making payments to creditors;

WHEREAS Boston Debt Solutions violated the right to cancel provisions of 9 V.S.A. § 2454 and Vermont Consumer Fraud Rule 113 for telephonic sales;

WHEREAS Boston Debt Solutions imposed fees on its customers in advance of rendering services to them;

WHEREAS the Attorney General alleges that all of the above-described practices violated the Vermont Consumer Fraud Act's prohibition on unfair and deceptive trade practices, 9 V.S.A. § 2453(a);

AND WHEREAS the Attorney General and Boston Debt Solutions are willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE the parties agree as follows:

1. Boston Debt Solutions shall comply with all applicable federal and Vermont laws and regulations, including but not limited to the Vermont Debt Adjusters Act, 8 V.S.A. ch. 133, the Vermont Consumer Fraud Act, 9 V.S.A. ch. 63, and any regulations promulgated under either statute.

2. In the event that it engages in the business of debt adjustment in Vermont in the future, Boston Debt Solutions shall:

- a. clearly and conspicuously disclose the risks (including the risk of being sued) associated with turning accounts over to the company and not making payments to creditors; and
- b. refrain from imposing any fees on its customers in advance of rendering services to them.

3. Within ten (10) days of signing this Assurance of Discontinuance, Boston Debt Solutions shall refund to all of its Vermont customers all fees and other charges of whatever kind paid by each of those consumers to the company.

4. Also within ten (10) days of signing this Assurance of Discontinuance, Boston Debt Solutions shall pay liquidated damages in the amount of \$2,000.00 (two thousand dollars) to any Vermont customer who was sued by one or more creditors between the consumer's sign-up with Boston Debt Solutions and the date of the company's settlement with the creditor.

5. Boston Debt Solutions shall promptly complete, without charge, negotiations with all listed creditors of each of its Vermont customers, at the customer's option, and shall make all reasonable efforts to settle the amount due each creditor at 55 percent, to be paid over a reasonable period of time. Boston Debt Solutions shall document these efforts in writing, including a comparison with past settlements with the same creditor, and provide such documentation to the Attorney General's Office within sixty (60) days of signing this Assurance of Discontinuance. In the event of a dispute about the adequacy or promptness of Boston Debt Solutions' efforts under this paragraph, the parties shall attempt in good faith to resolve the issue themselves. If they are unable to do so, either party may petition the Washington Superior Court in Montpelier, Vermont, for a ruling.

6. To implement the provisions of paragraphs 3 through 5, above, within ten (10) days of signing this Assurance of Discontinuance Boston Debt Solutions shall send to each of its Vermont customers, by first class mail, postage prepaid, a letter in substantially the same form as Exhibit 1, enclosing any payments required by paragraphs 3 and 4, above, in the form of a check or checks. If the letter is returned as undeliverable, Boston Debt Solutions shall make all reasonable efforts to cooperate with the Attorney General's Office in finding a valid mailing address for the consumer in question and shall promptly resend the letter and any accompanying payment required by this Assurance of Discontinuance to the new address.

7. Boston Debt Solutions shall pay to the State of Vermont the sum of \$20,000.00 (twenty thousand dollars) in civil penalties and costs, according to the following schedule:
(a) \$10,000.00 (ten thousand dollars) within fifteen (15) days of signing this Assurance of


Discontinuance, and (b) the remaining \$10,000.00 (ten thousand dollars) within forty-five (45) days of signing this Assurance of Discontinuance.

8. This Assurance of Discontinuance resolves all existing claims the State of Vermont may have against Boston Debt Solutions stemming from the conduct described in this document.

Date: 2/10/09

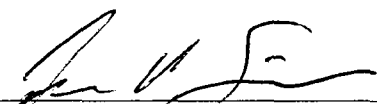
STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

by: 
Elliot Burg
Assistant Attorney General

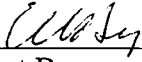
Date: 2-19-09

BOSTON DEBT SOLUTIONS, LLC

by: 
Its Authorized Agent
AS: President

Office of the
ATTORNEY
GENERAL
109 State Street
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05609

APPROVED AS TO FORM:



Elliot Burg
Assistant Attorney General
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109 State Street
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For the State of Vermont



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Fort Lauderdale, FL 33309-2140
For Boston Debt Solutions, LLC

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ATTORNEY
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Exhibit 1

[Date]

Boston Debt Solutions LLC
410 Boston Post Road Ste. 21
Sudbury, MA. 01776

Dear Client:

Recently, Boston Debt Solutions (“BDS”) was made aware of some legal issues in the State of Vermont. Under a settlement with the Vermont Attorney General’s Office, BDS is refunding to you all fees of any kind collected to date by our company and, at your option but at no cost to you, will continue to work to settle the debts you have listed with us. Enclosed please find a refund check for all fees that have been collected, along with a list of those fees and the dates they were paid. If the amount of the enclosed refund appears to be less than the total of what you paid us, please let us know at once by telephone at 1-800-913-0121, Ext. 111, or by email at disdebt1@bellsouth.net. Please note that the enclosed refund does not include your settlement savings funds, which are your funds being saved to pay off your creditors.

Unless you notify BDS and advise otherwise (at the above telephone number or email), BDS will also complete its negotiations with your creditors, at no charge, provided you continue to make regular monthly payments to accumulate settlement savings funds. This accumulation of savings funds will allow for the settlement of debts still in your program and permit us to continue to work towards settling your remaining accounts for no more than 55 percent of the amount due.

As you know, your settlement savings funds are currently being held in a bank account with Rocky Mountain Bank and Trust. This account is your personal savings account, and all funds are solely under your control. BDS no longer has the ability to withdraw or transfer these funds. That can only be done at your direction. Therefore, to obtain a return of your settlement savings funds, you must contact Global Client Solutions, the agent for the bank, at 1-800-398-7191, to make such a request.

Finally, if while we were working for you, you were sued by one of the creditors included in your program, we are enclosing a payment in the amount of an additional \$2,000, as required by our recent settlement with your state.

If you have any questions about this, please contact BDS at 1-800-913-0121, Ext. 111; or you may call the Vermont Attorney General’s office at (802) 828-5507.

Sincerely,

Boston Debt Solutions LLC