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3 **STATE OF OREGON**  
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**  
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

**DM-11-0071**

9 **American Debt Settlement Solutions,**  
10 **Inc.,**

**ORDER TO CEASE AND DESIST,**  
11 **ORDER ASSESSING CIVIL PENALTY,**  
12 **AND CONSENT TO ENTRY OF**  
13 **ORDER**

14 Respondent.

15 WHEREAS, the Director of the Department of Consumer and Business Services for the  
16 State of Oregon (hereinafter “the Director”), acting pursuant to the Oregon statutes regulating  
17 debt management service providers, ORS 697.602 to 697.842, has conducted an investigation of  
18 American Debt Settlement Solutions, Inc. (“ADSS”) and concluded that violations of Oregon  
19 law had been committed; and

20 WHEREAS ADSS neither admits nor denies the Findings of Fact or Conclusions of Law  
21 contained herein, but wishes to resolve and settle this matter with the Director by entering into  
22 this Consent to Entry of Order, which is evidenced by the authorized signatures subscribed  
23 below;

24 NOW THEREFORE, as evidenced by the signature(s) subscribed on this Order, ADSS  
25 hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions  
26 of Law as stated hereinafter.

**I.**

**FINDINGS OF FACT**

The Director FINDS that:

1. ADSS is a Florida corporation with offices located 5499 N Federal Hwy, Ste C, Boca

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387





1 Raton, Florida 33487. ADSS maintains the website [www.americandebtss.com](http://www.americandebtss.com).

2 2. At all times relevant to this matter, ADSS held itself out as providing debt  
3 management services as defined by ORS 697.602(2)(d), by receiving money in return for  
4 obtaining or attempting to obtain as an intermediary on a consumer’s behalf a concession from a  
5 creditor including, but not limited to, a reduction in the principal, interest, penalties or fees  
6 associated with a debt.

7 3. Between June 2009 and September 2009, ADSS entered into debt management  
8 service agreements with nine Oregon residents. ADSS has provided proof to the Oregon  
9 Department of Consumer and Business Services’ Division of Finance and Corporate Securities  
10 (“DFCS”) that all nine of the Oregon clients have received a refund of the monies paid to ADSS,  
11 less any amount paid to the client’s creditors.

12 4. ADSS assessed each of the Oregon residents a fee that exceeded \$65 per month to  
13 receive debt management services.

14 5. At no time material to this Order was ADSS registered in Oregon with the Director as  
15 a debt management service provider.

16 6. At no time material to this Order did ADSS file a bond with the Director as required  
17 by Oregon law.

18  
19 **II.**

20 **CONCLUSIONS OF LAW**

21 The Director CONCLUDES that:

22 7. ADSS performed debt management services as defined by ORS 697.602(2)(d) when  
23 it received money in return for obtaining or attempting to obtain as an intermediary on a  
24 consumer’s behalf a concession from a creditor including, but not limited to, a reduction in the  
25 principal, interest, penalties or fees associated with a debt.

26 8. ADSS violated ORS 697.612 by engaging in the business of debt management



1 service provider without being registered with the Director pursuant to ORS chapter 697.

2 9. ADSS violated ORS 697.642(1) when it performed debt management services  
3 without first filing a bond issued by one or more corporate sureties authorized to do business in  
4 Oregon. Each time ADSS performed or attempted to perform debt management service in  
5 Oregon without first filing a bond is a separate and distinct violation of ORS 697.642(1).

6 10. ADSS violated ORS 697.692(1)(d) when it charged consumers a fee that exceeded  
7 \$65 per month to receive debt management services. Each instance ADSS charged a consumer a  
8 fee in excess of \$65 a month is a separate and distinct violation of ORS 697.692(1)(d).

9  
10 **III.**

11 **ORDERS**

12 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

13 Cease and Desist Order

14 11. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS ADSS  
15 to CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt  
16 management service providers, ORS chapter 697, and any rule, order, or policy issued by the  
17 Director under ORS chapters 697.

18 Order Assessing Civil Penalty

19 12. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL  
20 PENALTY in an amount of not more than \$5,000 per violation against any person who violates  
21 ORS 697.602 to 697.842, rules adopted pursuant to ORS 697.632 or any order issued under ORS  
22 697.825.

23 13. Pursuant to ORS 697.832, the Director hereby assesses ADSS a CIVIL PENALTY in  
24 the amount of \$55,000 (fifty-five thousand dollars) as follows:

25 A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violation of the registration  
26 provisions of ORS 697.612(2)(d) by engaging in the business of performing debt management



1 service without being registered with the Director pursuant to ORS chapter 697;

2 B. A CIVIL PENALTY of \$25,000 (twenty-five thousand dollars) for nine violations of  
3 ORS 697.642(1) for performing debt management services without first filing a bond as  
4 required by ORS chapter 697; and

5 C. A CIVIL PENALTY of \$25,000 (twenty-five thousand dollars) for nine violations of  
6 ORS 697.692(1)(a) by charging consumers a monthly fee in excess of \$65.

7 Suspension of Civil Penalty

8 14. The Director agrees to SUSPEND the collection of the \$55,000 CIVIL PENALTY  
9 assessed herein providing that ADSS complies with all of the following terms and conditions:

10 A. Within 30 days from the effective date of this Order, ADSS must either: (i) file an  
11 application to register with the Director as a debt management service provider pursuant to ORS  
12 697.632, or (ii) place a prominent disclaimer on its website, the websites of all affiliated  
13 companies, and in all promotional materials that are national or regional in scope or that are  
14 directed towards Oregon consumers published by or for ADSS, to the effect that its debt  
15 management services are not available to Oregon residents.

16 B. Comply with all terms and conditions set out in this Order and commit no new  
17 violations of the Oregon statutes regulating debt management service providers, ORS 697.602  
18 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825.

19 15. If ADSS commits no new violations during the three-year period from the effective  
20 date of this Order, the Director WAIVES the collection of the suspended CIVIL PENALTY  
21 assessed herein.

22 16. The Director reserves the right to immediately impose the suspended CIVIL  
23 PENALTY, pursuant to the procedures set forth in ORS 183.745, upon a determination that  
24 ADSS has violated any term of this Order.

25 17. The entry of this Order in no way limits further remedies which may be available to  
26 the Director under Oregon law.

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IT IS SO ORDERED.

Dated this 13th day of October, 2011 at Salem, Oregon.

SCOTT L. HARRA, Acting Director  
Department of Consumer and Business Services

/s/ David Tatman  
David C. Tatman, Administrator  
Division of Finance and Corporate Securities

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Labor and Industries Building  
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**CORPORATE CONSENT TO ENTRY OF ORDER**

I, Michael Dipanni, state that I am an officer of American Debt Settlement Solutions, Inc. (“ADSS”), and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I and this entity have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that ADSS, voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that ADSS neither admits nor denies the Findings of Fact and Conclusions of Law in the foregoing Order; that ADSS, executes this Order as a settlement of the matters referred to in the foregoing Order; that ADSS understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825, and that ADSS will fully comply with the terms and conditions stated herein.

ADSS further assures the Director that neither ADSS, nor its officers, directors, employees or agents, will offer or provide debt management services in Oregon unless such activities are in full compliance with chapter 697 of the Oregon Revised Statutes.

ADSS understands that this Order is a public document.

Dated this 4th day of October, 2011.

By: /s/ Michael Dipanni

Office Held: Owner

**CORPORATE ACKNOWLEDGMENT**

State of Florida

County of Palm Beach

There appeared before me this 4th day of October, 2011,

Michael Dipianni, who was first duly sworn on oath, and stated that he/she was and is an officer of ADSS, and that he/she is authorized and empowered to sign this Order on behalf of ADSS, and to bind it to the terms hereof.

/s/ Glenn Wojtusiak  
Signature of Notary Public