
 *
IN THE MATTER OF: *
 *
ACCELERATED DEBT *
SETTLEMENT INC. *
d/b/a ACCELERATED DEBT *
SOLUTIONS *
NMLS # 2621854 *
(“ADS”) *
 *
FINANCIAL SOLUTIONS *
GROUP LLC *
(“FSG”) *
 *
JEFFREY A. LAKES *
(“LAKES”) *
 *
 (collectively, “Respondents”) *
 *

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part II of Chapter 669, Sections 36a-671 to 36a-671f, inclusive, of the Connecticut General Statutes, “Debt Adjusters and Debt Negotiation”;

WHEREAS, ADS is a Wyoming corporation with an address of 1603 Capitol Avenue, Suite 310 A444, Cheyenne, Wyoming;

WHEREAS, FSG is a Delaware limited liability company with addresses of 11650 Olio Road, Suite 1000-259, Fishers, Indiana and 1603 Capitol Avenue, Suite 310-A444, Cheyenne, Wyoming;

WHEREAS, Lakes is the sole member of FSG and President and Director of ADS;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Banking”), conducted an investigation (“Investigation”) into the activities of Respondents, pursuant to Section 36a-17 of the Connecticut General Statutes, to determine if they had violated, were

violating or were about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

WHEREAS, as a result of the Investigation, on December 9, 2024, the Commissioner issued a Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing (collectively, “Order and Notice”) against Respondents, which Order and Notice is incorporated by reference herein;

WHEREAS, the Commissioner alleged in the Order and Notice that ADS: (1) engaged or offered to engage in debt negotiation services with at least one hundred and thirty (130) residents in Connecticut without obtaining the required license, in violation of Section 36a-671(b) of the Connecticut General Statutes; (2) entered into contracts with at least two Connecticut residents that did not include the “Debtor’s three-day right to cancel” disclosure required in Connecticut, in violation of Section 36a-671b(a) of the Connecticut General Statutes; (3) charged fees in excess of amounts permitted by the Schedule of Maximum Fees and prior to ADS fully performing any debt negotiation services, in violation of Section 36a-671b(b) of the Connecticut General Statutes; (4) engaged in an unfair or deceptive practice and obtained property by fraud or misrepresentation by enrolling customers in its debt negotiation services and receiving fees as a result of various false representations, in violation of subdivisions (2) and (3) of Section 36a-671f of the Connecticut General Statutes; (5) failed to comply with provisions of sections 36a-671 to 36a-671e, inclusive, or regulations adopted under said sections, or any other state or federal law, including the Telemarketing Sales Rule, in violation of Section 36a-671f(4) of the Connecticut General Statutes; (6) made false or deceptive statements or representations in connection with its debt negotiation program, in violation of Section 36a-671f(8) of the Connecticut General Statutes; and (7) failed to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable debt negotiation laws and regulations, in violation of Section 36a-671f(9) of the Connecticut General Statutes;

WHEREAS, the Commissioner also alleged in the Order and Notice that FSG engaged or offered to engage in debt negotiation in Connecticut without obtaining the required license, in violation of

Section 36a-671(b) of the Connecticut General Statutes and that Lakes, directly or indirectly, failed to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable debt negotiation laws and regulations, in violation of Section 36a-671f(9) of the Connecticut General Statutes;

WHEREAS, the Commissioner asserted that the allegations made in the Order and Notice formed the basis to issue an order to make restitution against ADS and FSG pursuant to Sections 36a-671a(b) and 36a-50(c) of the Connecticut General Statutes, issue an order to cease and desist against ADS and FSG pursuant to Sections 36a-671a(b) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon ADS and FSG pursuant to Sections 36a-671a(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner also asserted that the allegation made against Lakes in the Order and Notice formed the basis to issue an order to cease and desist against Lakes pursuant to Sections 36a-671a(b) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty upon Lakes pursuant to Sections 36a-671a(b) and 36a-50(a) of the Connecticut General Statutes

WHEREAS, on December 10, 2024, the Order and Notice was sent by certified mail, return receipt requested to ADS, FSG and Lakes (Certified Mail Nos. 70222410000095982524, 70222410000095982531, 70222410000095982548, 70222410000095982555);

WHEREAS, on January 2, 2025, Respondents requested a hearing, which is currently pending;

WHEREAS, ADS and FSG have each represented an inability to pay full restitution of all amounts received by ADS or FSG from Connecticut consumers for debt negotiation services;

WHEREAS, ADS and FSG represent that they erroneously relied on in-house counsel when operating in the state to ensure compliance with any applicable laws;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, the Commissioner, ADS, FSG and Lakes each acknowledge the possible consequences of further administrative proceedings, and ADS, FSG and Lakes each voluntarily agree to consent to the entry of the sanctions imposed below without admitting or denying the allegations in the Order and Notice and set forth herein, and solely for the purpose of obviating the need for further administrative proceedings concerning the allegations in the Order and Notice and set for herein;

WHEREAS, the Commissioner and Respondents now desire to resolve the matters alleged in the Order and Notice and set forth herein;

WHEREAS, ADS, FSG and Lakes each specifically assure the Commissioner that the violations alleged in the Order and Notice and set forth herein shall not occur in the future;

WHEREAS, ADS, FSG and Lakes each acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and execute this Consent Order freely;

WHEREAS, ADS, FSG, and Lakes each acknowledge that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, ADS, FSG and Lakes, through their respective execution of this Consent Order, each voluntarily agree to waive their procedural rights, including an opportunity for a hearing as it pertains to the allegations in the Order and Notice and set forth herein, and each voluntarily waive their right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, ADS, FSG and Lakes, through their respective execution of this Consent Order, consent to the Commissioner’s entry of a Consent Order imposing the following sanctions:

1. ADS and FSG, jointly and severally, shall provide refunds to Connecticut consumers of fees received for debt negotiation services in the total amount of Seven Hundred Seventy-Nine Thousand Nine Hundred and Ten Dollars (\$779,910) in seven installments, as set forth in Exhibit A. The first installment of checks to Connecticut consumers shall be mailed no later

than April 30, 2025, the second installment shall be mailed no later than May 31, 2025, the third installment shall be mailed no later than June 30, 2025, the fourth installment shall be mailed no later than July 31, 2025, the fifth installment shall be mailed no later than August 31, 2025, the sixth installment shall be mailed no later than September 30, 2025, and the seventh installment shall be mailed no later than October 31, 2025. Such refunds shall be made in the following manner:

- a. Payments shall be made by check to all Connecticut consumers and in the amounts listed in Exhibit A to the consumer's most current mailing address in an envelope with a clear and conspicuous statement on the front of the envelope stating in bold, uppercase letters: "IMPORTANT INFORMATION ENCLOSED BASED ON A SETTLEMENT WITH THE STATE OF CONNECTICUT DEPARTMENT OF BANKING." ADS and FSG shall notify Connecticut consumers, via a written communication acceptable to the Commissioner, that amounts are being paid as the result of a settlement with the Connecticut Department of Banking;
- b. ADS and FSG shall utilize industry standard practices for locating consumers, including skip tracing or the National Change of Address System, to identify the current mailing address for each Connecticut consumer listed in Exhibit A;
- c. ADS and FSG shall mail checks to Connecticut consumers no later than the date set forth above corresponding to the Installment # in Exhibit A, in accordance with the total amount of fees indicated in the "Refund Amount" column of Exhibit A;
- d. All checks mailed pursuant to this Consent Order shall be valid for sixty (60) days after the date of issue of the check and shall be mailed to eligible Connecticut consumers within five (5) days of the date of issue;
- e. ADS and FSG shall hold the sum of any checks which remain uncashed in a trust account for the benefit of such Connecticut consumers until such time the monies are provided to the respective Connecticut consumer or escheated to the state; and
- f. ADS and FSG shall provide any information requested by the Division pertaining to the issuance of refunds, including, without limitation, the consumer's contact information, the date a check was issued and mailed, and the status of such payment, to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or Swarupa.Madhavan@ct.gov, within five (5) business days of such request, and shall separately provide nine monthly reports no later than the first of each month from June 1, 2025, through February 1, 2026, listing the names and addresses of Connecticut consumers listed in Exhibit A to whom ADS and FSG have mailed checks, the amount of each payment and the status of being cashed;

2. ADS, FSG, and Lakes shall, jointly and severally, pay a civil penalty in the amount of Five Hundred Thousand Dollars (\$500,000), which shall be stayed for five years from the date this Consent Order is issued by the Commissioner, so long as ADS, FSG and Lakes fully comply with the terms of this Consent Order. In the event that ADS, FSG or Lakes fail to comply with any term of this Consent Order, the Commissioner shall provide written notice of any such violation and provide an opportunity for ADS, FSG and Lakes to meet and confer with the Commissioner concerning any alleged violation. After such opportunity, if the Commissioner is still of the opinion that ADS, FSG or Lakes failed to comply with any term of this Consent Order, the stay shall be lifted, and Five Hundred Thousand Dollars (\$500,000) shall become immediately due and payable. The civil penalty shall be remitted to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order, made payable to "Treasurer, State of Connecticut" no later than thirty (30) days after such determination by the Commissioner. ADS, FSG and Lakes knowingly, willingly and voluntarily waive their respective rights to an administrative notice and an opportunity for hearing and any right to seek judicial review of the imposition of such civil penalty. Furthermore, any such civil penalty shall be in addition to any other remedies that the Commissioner may seek for a violation by ADS, FSG or Lakes of this Consent Order. Absent any action by the Commissioner to lift the stay, ADS, FSG and Lake's obligation to pay the stayed civil penalty shall be vacated five years from the date this Consent Order is issued by the Commissioner without any further action or notice by the Commissioner;
3. Commencing on the date this Consent Order is issued by the Commissioner, Lakes shall be **BARRED** from acting, directly or indirectly, as an owner, officer, director, or other control person, as defined in Section 36a-485 of the Connecticut General Statutes, (collectively, "Control Person") of any person offering or engaging in debt negotiation in this state; and
4. Commencing on the date this Consent Order is issued by the Commissioner, ADS and FSG shall be **BARRED** from, directly or indirectly, offering or engaging in debt negotiation in this state.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against ADS, FSG or Lakes based upon the allegations contained in the Order and Notice and set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against ADS, FSG or Lakes based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by ADS, FSG or Lakes and reflected herein is subsequently discovered to be untrue;
3. ADS, FSG and Lakes shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, ADS, FSG and Lakes shall not take any position in any proceeding brought by or on behalf of the

Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects ADS', FSG's or Lakes' (i) testimonial obligations, or (ii) right to take any legal or factual position that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;

4. This Consent Order shall be binding upon Lakes, ADS, and FSG and their successors and assigns; and
5. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 15th day of April 2025.

/s/

Jorge L. Perez
Banking Commissioner

I, Jeffrey Lakes, state on behalf of Accelerated Debt Settlement Inc. d/b/a Accelerated Debt Solutions that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Accelerated Debt Settlement Inc. d/b/a Accelerated Debt Solutions; that Accelerated Debt Settlement Inc. d/b/a Accelerated Debt Solutions agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Accelerated Debt Settlement Inc. d/b/a Accelerated Debt Solutions voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Jeffrey Lakes
Title: CEO
Accelerated Debt Settlement Inc.
d/b/a Accelerated Debt Solutions

State of: Arizona

County of: Maricopa

On this the 14th day of April 2025, before me, _____, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of Accelerated Debt Settlement Inc. d/b/a Accelerated Debt Solutions, a corporation, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as _____.

In witness whereof I hereunto set my hand.

/s/
Notary Public Anthony Devan Postell Sr.
Date Commission Expires: 8/2/2028

I, Jeffrey Lakes, state on behalf of Financial Solutions Group LLC that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Financial Solutions Group LLC; that Financial Solutions Group LLC agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Financial Solutions Group LLC voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/_____

Name: Jeffrey Lakes

Title: CEO

Financial Solutions Group LLC

State of: Arizona

County of: Maricopa

On this the 14th day of April 2025, before me, _____, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of Financial Solutions Group LLC, a member managed/manager managed limited liability company, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as _____.

In witness whereof I hereunto set my hand.

/s/_____

Notary Public Anthony Devan Postell Sr.

Date Commission Expires: 8/2/2028

I, Jeffrey Lakes, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that I voluntarily agree to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/ _____
Jeffrey A. Lakes

State of: Arizona

County of: Maricopa

On this 14th day of April 2025, before me, _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed within the instrument and acknowledged that he/she executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

/s/ _____
Notary Public Anthony Devan Postell Sr.
Date Commission Expires: 8/2/2028