

BEFORE THE ADMINISTRATOR, UNIFORM CONSUMER CREDIT CODE

STATE OF COLORADO

STIPULATION AND FINAL AGENCY ORDER

IN THE MATTER OF CREDITANSWERS, LLC AND WILLIAM B. LOUGHBOROUGH,
Respondents.

THIS STIPULATION AND FINAL AGENCY ORDER (the "FAO") is made between Julie Ann Meade, Administrator of the Colorado Uniform Consumer Credit Code (the "Administrator"), and Respondents CreditAnswers, LLC n/k/a Tejas Holdings, LLC ("CreditAnswers"), and William B. Loughborough ("Loughborough") (together, the "CreditAnswers Parties"), to resolve certain issues, including this administrative action against the CreditAnswers Parties and Tejas Holdings, LLC's Verified Petition Requesting Depositions to Investigate Potential Claims.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED, by and between the Administrator and the CreditAnswers Parties, as follows:

1. Julie Ann Meade is the Administrator of the Uniform Consumer Credit Code. She is authorized under C.R.S. § 12-14.5-233 to enforce the Colorado Uniform Debt-Management Services Act (the "DMSA") by bringing civil actions against those that allegedly violate the Act. In such actions, the Administrator may seek injunctive relief, consumer restitution, penalties, and attorneys' fees and costs. *See* C.R.S. § 12-14.5-233.
2. CreditAnswers is a Texas limited liability company with its office and principal place of business located at 6200 Tennyson Parkway, Suite 200, Plano, Texas 75024. CreditAnswers was registered to provide debt-management services to Colorado residents from April 17, 2009 through June 30, 2011.
3. Loughborough is an individual residing at 2800 Locklear Court, Plano, Texas 75093.
4. The Administrator has jurisdiction over the CreditAnswers Parties and the subject matter of this FAO.

5. On February 16, 2012, the Administrator brought this action by the service and filing of a Notice of Duty to Answer, Notice to Set, Notice of Hearing, and Notice of Charges (the "Notice of Charges"), Case No. CCC 2012-0005. The Administrator alleged that CreditAnswers was providing debt-management services to residents of Colorado in violation of the DMSA. In particular, the Administrator alleged that CreditAnswers' business practices violated the following requirements of the DMSA: CreditAnswers enrolled consumers without being registered to do so, in violation of C.R.S. § 12-14.5-204; CreditAnswers' agreements did not contain the content mandated by C.R.S. § 12-14.5-219; CreditAnswers did not provide the proper notifications concerning cancellation rights, in violation of C.R.S. § 12-14.5-220; CreditAnswers imposed fees in excess of the statutory maximum and despite the fact that its agreements violate the DMSA, in violation of C.R.S. § 12-14.5-223; CreditAnswers did not provide consumers with the cautionary disclosures and information as mandated by C.R.S. § 12-14.5-217; CreditAnswers did not comply with the procedures for terminating agreements and providing consumer refunds upon termination, in violation of C.R.S. § 12-14.5-226; and CreditAnswers took powers of attorney that do not contain the requisite limitation on the provider's authority to settle a debt, in violation of C.R.S. § 12-14.5-228.

6. The Administrator further alleged that Loughborough caused CreditAnswers to violate the DMSA and therefore is liable for its violations pursuant to C.R.S. § 12-14.5-233.

7. The CreditAnswers Parties deny the allegations of the Administrator and further deny that they violated the DMSA. Nothing in this FAO shall constitute or be deemed to constitute an admission of any fault, wrongdoing, or failure to comply with the DMSA by the CreditAnswers Parties, or of any liability or responsibility therefor.

8. The CreditAnswers Parties agree to the following remedies:

a. The CreditAnswers Parties shall be permanently enjoined from providing, offering to provide, or agreeing to provide debt-management services (as defined in the DMSA) directly or indirectly through others to Colorado residents. This would include providing those services as a front-end or back-end agent for a registered debt-management services provider.

b. The CreditAnswers Parties shall pay the sum of \$225,000 to the Administrator no later than 14 days from the Effective Date of the FAO. Although CreditAnswers and Loughborough are jointly and severally liable for the obligation, the parties hereto understand that only Respondent CreditAnswers shall be making the forgoing payment to the Administrator. The payment shall be deemed paid upon the Administrator's receipt of the payment, and only upon such receipt. The payment shall be made payable to the "Administrator of the Uniform Consumer Credit Code" to be held in trust along with any interest thereon to be used at the sole discretion of the Administrator of the Uniform Consumer Credit Code for consumer restitution, to reimburse the Administrator for her reasonable costs and attorneys' fees, or for future consumer credit education and enforcement actions.

9. Due to the public-interest nature of the Administrator's claims in this matter, the CreditAnswers Parties hereby agree and stipulate that the monetary obligation imposed hereunder shall be considered a debt for a fine, penalty, or forfeiture, payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss.

10. In the event CreditAnswers or Loughborough files a petition for bankruptcy within 100 days of the payment to the Administrator, and if the Administrator must return any portion of the money collected pursuant to this FAO to the bankruptcy estate, then this FAO shall be void and the Administrator shall be entitled to resume her prosecution of the Notice of Charges, regardless of whether the Notice of Charges has been dismissed with prejudice and without being subject to any defenses that may arise as a result of such dismissal.

11. It is the intent and purpose of this FAO to resolve fully and finally the issues between the Administrator and the CreditAnswers Parties raised and alleged in *Administrator, Uniform Consumer Credit Code v. CreditAnswers, LLC and William B. Loughborough*, Case No. CCC 2012-0005, and in *In re Tejas Holdings, LLC*, Cause No. DC-13-7253, in the 134th Judicial District Court of Dallas County, Texas.

12. Upon timely receipt of payment under paragraph 8(b) of this FAO, the Administrator will dismiss with prejudice *Administrator, Uniform Consumer Credit Code v. CreditAnswers, LLC and William B. Loughborough*, Case No. CCC 2012-0005. This FAO constitutes a complete release of all claims on behalf of the Administrator against the CreditAnswers Parties with respect to all claims, causes of action, damages, fines, costs, and penalties that were asserted or could have been asserted prior to this date under the DMSA and relating to or based upon the acts or practices that are the subject of this action. The Administrator agrees that she shall not proceed with or institute any civil action or proceeding based upon the DMSA against the CreditAnswers Parties for any act or practice prior to this date. Notwithstanding the foregoing, the Administrator may institute an action or proceeding to enforce the terms and provisions of this FAO or take action based on future conduct of the CreditAnswers Parties.

13. This FAO also constitutes a complete release of all claims, causes of action, damages, fines, costs, and penalties that Tejas Holdings, LLC was investigating or could have been investigating as part of the Petition of Tejas Holdings, LLC Requesting Depositions to Investigate Potential Claims against the Administrator or any member of the Administrator's staff. The CreditAnswers Parties agree that they shall not proceed with or institute any civil action or proceeding against the Administrator or any member or former member of her staff for any act or practice prior to this date. The CreditAnswers Parties will dismiss with prejudice *In re Tejas Holdings, LLC*, Cause No. DC-13-7253, in the 134th Judicial District Court of Dallas County, Texas no later than 14 days from the Effective Date of the FAO.

14. This FAO shall in no way limit, constrain, abridge, abrogate, waive, release, or otherwise prejudice the right of any consumer to bring any private action under the law.

15. This FAO shall not be modified except in a writing signed by the parties or their authorized representatives and approved and entered by the Administrator.

16. This FAO shall be governed by Colorado law without regard to choice of law rules.

17. Any claims or causes of action arising out of or based upon this FAO shall be commenced in the District Court for the City and County of Denver, Colorado, and the CreditAnswers Parties hereby consent to the jurisdiction, venue, and process of such Court. In the event of any such action or proceeding alleging or asserting a violation of or failure to comply with this FAO, this FAO shall be admissible in full.

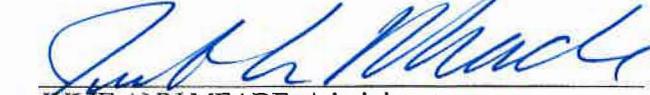
18. Except as otherwise provided herein, each party shall bear its own costs and attorneys' fees in connection with *Administrator, Uniform Consumer Credit Code v. CreditAnswers, LLC and William B. Loughborough*, Case No. CCC 2012-0005 and in *In re Tejas Holdings, LLC*, Cause No. DC-13-7253, in the 134th Judicial District Court of Dallas County, Texas.

19. The CreditAnswers Parties have had the opportunity to be represented by legal counsel and to consult with counsel for the Administrator to negotiate a resolution of this matter. The CreditAnswers Parties knowingly and voluntarily enter into this FAO and waive any right to a formal hearing on the matters forming the basis of this FAO and any right to appeal herefrom.

20. This FAO represents the entire agreement between the parties hereto and a complete merger of prior negotiations and agreements, and is binding upon all officers, directors, employees, shareholders, managers, members, principals, heirs, agents, affiliates, successors, or assigns of the parties.

21. On the date this FAO is signed by the Administrator, it shall be entered as and become the Final Agency Order of the Administrator and such date shall be the Effective Date of this FAO for all purposes hereunder.

EXECUTED AND SO ORDERED BY THE ADMINISTRATOR this 19th day of November, 2013.



JULIE ANN MEADE, Administrator
Uniform Consumer Credit Code

Dated: 11/18/13 By: CREDITANSWERS, LLC
Richard Butler
Its: G.C.

Dated: 11/18/13 By: WILLIAM B. LOUGHBOROUGH
W.B.L.

AGREED TO FORM:

Dated: 11/19/2013 [Signature]
JEANINE M. ANDERSON, 28206
Senior Assistant Attorney General
Consumer Credit Unit
Consumer Protection Section
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ATTORNEY FOR ADMINISTRATOR

Dated: 11/18/2013 [Signature]
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