

DEPARTMENT OF CONSUMER AFFAIRS  
OF THE CITY OF NEW YORK

DEPARTMENT OF CONSUMER AFFAIRS,

Complainant,

-against-

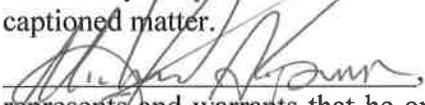
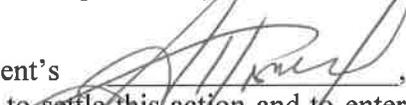
**4 Star Resolution, LLC**  
**a.k.a**  
**Four Star Capital Services**  
**2400 Seneca Street**  
**Buffalo, NY 14210**

**4 Robert Speck Parkway 15<sup>th</sup> Fl**  
**Mississauga, Ontario L4Z 1S1**

Respondent.

**CONSENT ORDER**

Violation No.: 1051277

1. 4 Star Resolution, LLC ("Respondent") consents to this Consent Order with the New York City Department of Consumer Affairs (the "Department") in the above-captioned matter.
2.  as Respondent's  represents and warrants that he or she is authorized to settle this action and to enter into a final Consent Order with the Department on behalf of Respondent.
3. This Consent Order shall apply to Respondent, its directors, officers, employees, representative agents, assignees, and successors. For the purposes of this Consent Order, "employee" means any person employed for hire or permitted to work by Respondent including, but not limited to, any person who manages or oversees the work of another, any person whose principal activity is the selling of any goods or services for Respondent, and any person whose earnings are based in whole or in part on commission for work performed for Respondent.
4. Respondent acknowledges that it was duly served with the Notice of Hearing dated January 2, 2014, which charged Respondent with violating Sections 20-490 and 20-105 of the New York City Administrative Code ("Admin. Code") by engaging in unlicensed debt collection activity; and Title 6 of the Rules of the City of New York ("the Rules") Section 5-77(d)(4), by threatening to take legal action to collect a debt from a New York City consumer when it could not legally do so, Section 5-77(d)(12),

by falsely representing that it was authorized to collect debts from New York City consumers, Section 5-77(d)(13), by deceiving consumers of its true business name, and Sections 5-77(f)(2) and (3), by failing to provide the consumer with proper validation and verification documents for the alleged debt.

5. Respondent agrees to comply fully with all relevant laws and rules related to debt collection in New York City including, but not limited to: (a) the Licensing Law and Rules, Admin. Code Section 20-101 *et seq.* and Title 6 of the Rules of the City of New York (“6 R.C.N.Y.”) Sections 1-01 *et seq.*; (b) the Debt Collection Agencies Licensing Law and Rules, Admin. Code Sections 20-488 *et seq.* and 6 R.C.N.Y. Sections 2-190 *et seq.*; and (c) the Consumer Protection Law and Rules, Admin. Code Sections 20-700 *et seq.* and 6 R.C.N.Y. Sections 5-76 *et seq.*

#### LICENSE

6. Respondent shall not act as a debt collection agency as defined in Section 20-489 of the Admin. Code at any time without holding a valid license from the Department.
7. If Respondent is found to be engaging in debt collection activity without the required license(s) at any time after the execution of this Consent Order, for the purpose of imposing fines, there shall be a presumption of continuous unlicensed activity commencing on the date of execution of this Consent Order.
8. Respondent further agrees that any future violations of the Consumer Protection Law and Rules shall be treated by the Department as knowing violations.
9. Upon the termination of a license by revocation, expiration, denial, surrender, or operation of law, Respondent shall immediately cease its debt collection activities with respect to New York City consumers, and Respondent shall return all creditor accounts to the creditor(s) within thirty (30) days with a copy of this Consent Order.

#### PENALTIES AND OTHER TERMS AND CONDITIONS

10. Respondent shall pay \$5,000 to the Department, due upon execution of this Consent Order. Payment shall be by bank check, certified check, or money order in the full amount made payable to the New York City Department of Consumer Affairs, and delivered to the New York City Department of Consumer Affairs, Legal Division, Attn: Shannon Bermingham, 42 Broadway, 9th Floor, New York, New York 10004.
11. This Consent Order shall constitute a final order pursuant to Section 6-42(c) of the Rules.

#### CONSUMER COMPLAINT RESOLUTION

12. Respondent agrees to resolve, promptly and in good faith, any and all consumer complaints filed with the Department. In the event such complaints cannot be resolved between the parties with or without the assistance of the Department, Respondent agrees to submit to the Department’s jurisdiction to adjudicate such

complaints and abide by any Department determination made on the merits of said complaint.

### COLLECTION PRACTICES

13. In addition to complying with the requirements in Admin. Code Section 20-493.2 and 6 R.C.N.Y. Sections 2-190, and 5-77(f), Respondent shall engage in the following practices:
  - a. Whenever a New York City consumer questions, disputes, or challenges the information on which Respondent is relying to collect or attempt to collect a debt, Respondent shall either:
    - i. Close the account, permanently terminate collection efforts with respect to the specific debt, and request deletion of that item of information from the consumer's credit reporting file; or
    - ii. Report that item of information as disputed to any consumer reporting agency to which the information was previously reported and conduct a reasonable and truthful investigation into the accuracy or completeness of such information. If Respondent does not complete its reasonable investigation within thirty (30) days from receipt of the dispute, Respondent shall request deletion of that item from the consumer's credit reporting file and cease collection activities until the reasonable investigation is complete. If after the investigation the Respondent cannot substantiate that the consumer owes the debt, Respondent shall not sell the debt or provide it to any other entity for the purpose of collection.
  - b. With regard to any New York City consumer's debt which has been paid in full or settled pursuant to an oral or written agreement, Respondent shall close the account, permanently terminate collection efforts with respect to the specific debt, and submit to any consumer reporting agency to which Respondent furnishes information a request for deletion of any negative information from the consumer's credit report.
14. Respondent shall not purchase, collect, or attempt to collect debts from New York City consumers if those debts arise from usurious loans, including but not limited to payday loans. For the purposes of this agreement, "usurious loan" means a loan with an initial principal of less than \$250,000, for which the annual percentage rate of interest exceeds the rate specified by Section 14-a of the New York Banking Law. Respondent shall implement policies and procedures to comply with the terms of this paragraph that include, but are not limited to, a screening process for debts which are likely to be usurious payday loans, such as those for which the original creditor's name contains the terms "Payday," "Cash," "Check," "Instant," "Advance," "Fast," "Now," or "Quick."
15. With regard to any New York City consumer's debt that arises from a usurious loan, Respondent shall close the account, permanently terminate collection efforts with

respect to the specific debt, and submit to any consumer reporting agency to which Respondent furnishes information a request for deletion of any negative information from the consumer's credit report.

CONSEQUENCES OF BREACH

- 16. A finding, after notice and hearing, that Respondent has committed a breach of the terms of this Consent Order shall constitute prima facie evidence of Respondent's lack of fitness to hold a license from the Department.

OTHER TERMS AND CONDITIONS

- 17. The acceptance of this Consent Order by the Department shall not be deemed approval by the Department of any of Respondent's business practices, and Respondent shall make no representation to the contrary.
- 18. Respondent agrees to waive any further right to a hearing and/or appeal of the above-referenced citation under Section 20-105 of the Code or under Article 78 of the New York State Civil Practice Law and Rules, Sections 7801-7806.
- 19. This matter will be considered settled upon execution of this Consent Order and payment of the settlement sum as set forth above in Paragraph 9.

Agreement Dated: March 31, 2014

Agreed to for Respondent by:

Print Name

Title

Signature

Date

Accepted for the New York City Department of Consumer Affairs by:

Staff Attorney

Signature

Date

All businesses must comply with all relevant local, state and federal laws. Copies of New York City's laws and rules pertaining to debt collection agencies are available: in person at DCA's Licensing Center, located at 42 Broadway, 5th Floor, New York, NY 10004; by calling 311, New York City's 24-hour Citizen Service Hotline; or by going online at [www.nyc.gov/consumers](http://www.nyc.gov/consumers).