

STATE OF MINNESOTA  
COMMISSIONER OF COMMERCE

In the Matter of Legal Helpers Debt Resolution,  
LLC

**CEASE AND DESIST ORDER AND  
NOTICE OF RIGHT TO HEARING**

TO:

Legal Helpers Debt Resolution, LLC  
233 South Wacker Dr., Suite 5150  
Chicago, IL 60606

Legal Helpers Debt Resolution, LLC  
1970 Oakcrest Ave., Suite 210  
Roseville, MN 55113

James Agosto  
1970 Oakcrest Ave., Suite 210  
Roseville, MN 55113

**CEASE AND DESIST ORDER**

No person may operate as a debt settlement services provider or provide debt settlement services in the State of Minnesota in accordance with Minn. Stat. §§ 332B.02-.14 without first registering with the Minnesota Department of Commerce Pursuant to Minn. Stat. § 332B.03. Pursuant to the above referenced statutes, Commissioner Mike Rothman has determined the following:

**STATEMENT OF FACTS**

1. Respondent Legal Helpers Debt Resolution, LLC (“Respondent”) is an entity headquartered in Chicago, Illinois.
2. Respondent is not registered as either a debt settlement services provider or as a debt management services provider in Minnesota.

3. Respondent is engaged in debt settlement services in Minnesota. In particular, Respondent has taken up-front and monthly funds from Minnesota residents, representing that the funds would be used to settle claims with creditors and to pay the Respondent's fees for achieving such settlements.

4. While Respondent is affiliated with attorneys, including Minnesota attorney James Agosto, the debt settlement services Respondent purports to provide are not handled by attorneys, but rather by non-attorney employees of Respondent.

5. In addition to operating as a debt settlement services provider without a license, Respondent has violated a host of Minnesota statutory provisions regulating the conduct of debt settlement providers, including the following:

- a. Respondent charged fees in excess of those permitted by statute, as codified at Minn. Stat. § 332B.09;
- b. Respondent failed to provide statutorily required disclosures codified at Minn. Stat. § 332B.06;
- c. Respondent made misleading representations to debtors in violation of Minn. Stat. § 332B.11, subd. 1; and,
- d. Respondent failed to respond to requests for information from the Department of Commerce in violation of Minn. Stat. § 45.027, subd. 1a.

**M.R. & L.R.**

6. Married couple M.R and L.R., residents of Minnesota, signed up for Respondent's debt settlement services in July of 2010.

7. Respondent's schedule of fees states that M.R. and L.R.'s checking account would be drafted for \$1,146.32 for the first three months of Respondent's program, and \$897.02 thereafter for 48 months.

8. Respondent's schedule of fees also stated that of the first 15 payments made by M.R. and L.R. to Respondent, totaling \$14,203.20, only \$1,797.36 would be used to pay creditors, with the remainder retained by Respondent as fees and costs.

9. Respondent thereafter drafted M.R. and L.R.'s account for several months.

10. Respondent failed to respond to requests from M.R. and L.R. concerning the status of their account and any progress made by Respondent in settling their debts.

11. Respondent provided no information to M.R. or L.R. showing that it settled any debts on their behalf.

12. M.R. and L.R. continued to receive notices from creditors of actions taken against them, including wage garnishments.

#### **W.T. and T.T.**

13. Married couple W.T. and T.T., Minnesota residents, signed up for Respondent's debt settlement services in August of 2010.

14. Respondent drafted W.T. and T.T.'s account for \$1,065 per month from July of 2010 through at least January of 2012.

15. Respondent failed to respond to requests from T.T. concerning the status of W.T. and T.T.'s accounts and any progress made by Respondent in settling their debts.

16. Respondent provided no information to T.T. and W.T. showing that that it settled any debts on their behalf.

17. W.T. and T.T. continued to receive notices from creditors of actions taken against them, including threats of suit.

**W.M.**

18. W.M., a Minnesota resident, signed up for Respondent's debt settlement services in August of 2010.

19. Respondent represented that it would significantly reduce W.M.'s debt with his creditors.

20. Respondent represented that stated that W.M.'s creditors would stop calling once he signed up for Respondent's services.

21. Respondent drafted W.M.'s account for at least \$7,105.45 between August of 2010 and June of 2011

22. Respondent failed to respond to requests from W.M. concerning the status of W.M.'s accounts and any progress made by Respondent in settling W.M.'s debts.

23. Respondent provided no information to W.M. showing that it settled any debts on his behalf.

24. W.M. continued to receive contact from creditors, and was served with legal process after signing up for Respondent's services.

**T.M. and K.M.**

25. Married couple T.M. and K.M., Minnesota residents, signed up for Respondent's debt settlement services in January of 2011.

26. Respondent's schedule of fees states that T.M. and K.M.'s checking account would be drafted for \$845.69 for 41 months.

27. Respondent's schedule of fees also stated that of the first 21 payments made by T.M. and K.M. to Respondent, totaling \$17,759.49, only \$7,479.68 would be used to pay creditors, with the remainder retained by Respondent as fees and costs.

28. T.M. and K.M. paid a total of \$9,302.59 to Respondent.

29. Respondent failed to respond to requests from T.M. and K.M. concerning the status of their account, and any progress made by Respondent in settling their debts.

30. Respondent provided no information to T.M. or K.M. showing that any debts had been settled on their behalf.

31. T.M. and K.M. continued to receive notices from creditors of actions taken against them, including wage garnishments.

#### M.U.

32. M.U. signed up for Respondent's debt settlement services in September of 2010.

33. Respondent's schedule of fees states that his checking account would be drafted for an initial amount of \$500, and \$403.57 thereafter for 29 months.

34. Respondent's schedule of fees also stated that of the first 18 payments made by M.U., totaling \$7,357.29, only \$3,3667.06 would be used to pay creditors, with the remainder retained by Respondent as fees and costs.

35. M.U. paid a total of \$3,464.75 to Respondent.

36. Respondent failed to respond to requests from M.U. concerning the status of his account and any progress made by Respondent in settling his debts.

37. Respondent provided no information to M.U. showing that any debts had been settled on his behalf.

**E.W.**

38. E.W. signed up for Respondent's debt settlement services in March of 2010.

39. Respondent's schedule of fees states that her checking account would be drafted for \$1,081.01 per month thereafter for 44 months.

40. Respondent's schedule of fees also stated that of the first 33 payments made by E.W., totaling \$35,673.33, only \$21,308.80 would be used to pay creditors, with the remainder retained by Respondent as fees and costs.

41. E.W. paid a total of \$6,358.56 to Respondent.

42. Respondent failed to respond to requests from E.W. concerning the status of her account and any progress made by Respondent in settling her debts.

43. Respondent provided no information to E.W. showing that any debts had been settled on her behalf.

**P.B.**

44. E.W. signed up for Respondent's debt settlement services in March of 2010.

45. Respondent's schedule of fees states that her checking account would be drafted for \$901.57 per month for 42 months.

46. Respondent's schedule of fees also stated that of the first 21 payments made by E.W., totaling \$18,932.97, only \$7,765.44 would be used to pay creditors, with the remainder retained by Respondent as fees and costs.

47. P.B. paid a total of \$4,561.60 to Respondent.

48. Respondent failed to respond to requests from P.B. concerning the status of her account and any progress made by Respondent in settling her debts.

49. Respondent provided no information to P.B. showing that any debts had been settled on her behalf.

**J.J.**

50. J.J. signed up for Respondent's debt settlement services in May of 2010.

51. J.J. paid a total of \$1,254.86 to Respondent.

52. Respondent provided no information to J.J. showing that any debts had been settled on his behalf.

**N.B.**

53. N.B. signed up for Respondent's debt settlement services in March of 2010.

54. N.B. paid a total of \$1,254.86 to Respondent.

55. Respondent provided no information to N.B. showing that any debts had been settled on his behalf.

**VIOLATIONS**

**Count I**

Respondent failed to register as a debt settlement services provider prior to executing an agreement to provide debt settlement services for Minnesota residents: (1) M.R. and T.T.; (2) W.T. and T.T.; (3) T.M.; (4) M.U.; (5) E.W.; (6) P.B.; (7) J.J.; (8) N.B. By failing to register, Respondent violated Minn. Stat. § 332B.04, subd. 1 (2010).

**Count II**

Respondent made false, deceptive, or misleading statements or omissions about the terms and conditions of its debt settlement services to the following Minnesota residents: (1) M.R. and T.T.; (2) W.T. and T.T.; (3) T.M.; (4) M.U.; (5) E.W.; (6) P.B.; (7) J.J.; (8) N.B. By doing so, Respondent is in violation of Minn. Stat. § 332B.11, subd. 1.

### Count III

Respondent failed to provide statutorily required disclosures prior to executing an agreement to provide debt settlement services with the following Minnesota residents: (1) M.R. and T.T.; (2) W.T. and T.T.; (3) T.M.; (4) M.U.; (5) E.W.; (6) P.B.; (7) J.J.; (8) N.B. By failing to provide such disclosures, Respondent violated Minn. Stat. § 332B.06.

### Count IV

Respondent claimed, demanded, charged, collected, or received fees in excess of those allowed under section Minn. Stat. § 332B.09 with respect to the following Minnesota residents: (1) M.R. and T.T.; (2) W.T. and T.T.; (3) T.M.; (4) M.U.; (5) E.W.; (6) P.B.; (7) J.J.; (8) N.B. By doing so, Respondent is in violation of Minn. Stat. § 332B.09.

### Count V

Respondent failed to respond to requests for information from the Department of Commerce. By failing to respond, Respondent is in violation of Minn. Stat. § 45.027, subd. 1a.

### ORDER

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027, subd. 5a and Minn. Stat. ch. 332B, that Respondent Legal Helpers Debt Resolution, LLC shall cease and desist from violating Minn. Stat. ch 332B, including engaging in the business of debt settlement or debt management services in the State of Minnesota, without the requisite registration pursuant to Minn. Stat. § 332B.03, and from engaging in any debt settlement or debt service management services in Minnesota until this Order is otherwise vacated or modified by the Commissioner.



### NOTICE OF RIGHT TO HEARING

IT IS FURTHER ORDERED, pursuant to Minn. Stat. § 45.027, subd. 5a, that Respondent may request a hearing in this matter. Such request shall be made in writing and served on the Commissioner, whereupon the Commissioner shall set a date for hearing within ten (10) days after receipt of the request unless Respondent and the Department agree to waive the 10-day time period. If no hearing is requested by Respondent within thirty (30) days of service of this Order and none is ordered by the Commissioner, this Order will become permanent and will remain in effect until modified or vacated by the Commissioner.

IT IS FURTHER ORDERED, that if a hearing is requested, this Order will remain in effect until modified or vacated or made permanent by further order of the Commissioner under Minn. Stat. § 45.027, subd. 5a. The administrative proceeding provided by Minn. Stat. § 45.027, subd. 5a, and subsequent appellate judicial review of that administrative proceeding, constitutes the exclusive remedy for determining whether the Commissioner properly issued this Order and whether this Order should be made permanent.


IT IS FURTHER ORDERED, that, notwithstanding Minn. Stat. § 45.027, subs. 5 or 5a, if Respondent requests a hearing under Minn. Stat. § 45.027, subd. 5a, Respondent may, within 15 days after service of this Order, bring an action in Ramsey County District Court for an injunction to suspend enforcement of this Order pending a final decision by the Commissioner under Minn. Stat. § 45.027, subd. 5a to vacate or make permanent this Order. The court shall determine whether to issue such an injunction based on traditional principles of temporary relief.

IT IS FURTHER ORDERED, that in the event a hearing is requested in this matter, it will be held before an Administrative Law Judge to be appointed by the Chief Administrative Law Judge for the State of Minnesota, Office of Administrative Hearings, Harold E. Stassen

Office Building, 600 North Robert Street, St. Paul, Minnesota 55101, Telephone: (651) 361-7900. All parties have the right to represent themselves or be represented throughout the proceedings herein by legal counsel or a person of their choice if not otherwise prohibited as the unauthorized practice of law. The hearing will be conducted under the contested case procedures in Minn. Stat. §§ 14.57-14.69, and the Rules of the Office of Administrative Hearings, Minn. R. 1400.5100-1400.8401. Failure to attend a hearing in this matter may result in the allegations of this Order being taken as true. Any questions concerning the issues which were raised in this Order, or if you wish to discuss an informal disposition of this proceeding, may be directed to Assistant Attorney General Oliver J. Larson at (651) 757-1265. Mr. Larson's address is as follows: Minnesota Attorney General's Office, 1800 Bremer Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2134.

MIKE ROTHMAN  
Commissioner

Dated: August 9, 2012

  
STEVEN E. CARLSON  
Deputy Commissioner

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St. Paul, MN 55101  
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AG: #3049808-v2