

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



In the Matter of:

YF Solution, LLC

**ASSURANCE OF VOLUNTARY
COMPLIANCE**

This Assurance of Voluntary Compliance (“Assurance”) is entered into between the Office of Consumer Protection of the Office of the Attorney General for the District of Columbia (the “Office of Consumer Protection”) and Grace De Paz and YF Solution, LLC (“YFS,” and collectively with Ms. De Paz as “Respondents”). The Office of Consumer Protection and Respondents agree as follows:

I. THE PARTIES

1. The Office of Consumer Protection is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District of Columbia’s consumer protection laws, including the Consumer Protection Procedures Act (CPPA), D.C. Code §§ 28-3901, *et seq.*

2. YFS is a Florida-based company that advertises nationwide, including to consumers residing in Washington, D.C., that it can assist them in resolving their debts and improve their credit record, history, or rating.

3. Grace De Paz is an officer, member, and employee of YFS. Respondent De Paz participated in the unlawful conduct alleged in this Assurance, possessed and/or exercised the authority to control the policies and trade practices of YFS, and directed and/or supervised the employees of YFS who participated in the unlawful conduct alleged in this Assurance.

II. DEFINITIONS

4. “Consumer” shall include the definition contained in D.C. Code § 28-3901(a)(2) and D.C. Code § 28-4601(1). For purposes of this Assurance, “consumer” shall refer to any resident of Washington, D.C. from whom YFS has collected a fee for its services.

5. “Debt relief services” shall mean any services or programs the purpose of which is to renegotiate, settle, reduce, or otherwise alter the terms of payment or other terms of a debt between a consumer and one or more unsecured creditors or debt collectors (including a reduction in the balance, interest rate, or fees that are owed). Debt relief services include services the purpose of which are to improve a consumer’s credit record, history, or rating or assist the consumer regarding any matter related to the consumer’s personal, household, or family credit.

III. THE OFFICE OF CONSUMER PROTECTION’S ALLEGATIONS

6. Respondents are a Florida-based company (YFS) and its principal (Ms. De Paz) that offer debt relief services to consumers throughout the United States, including in the District of Columbia.

7. Respondents guarantee that their services will help consumers negotiate and reduce their credit card debt by \$5,000 or more.

8. Respondents represented to consumers that they would not pay any fee until after YFS reduced their debts in the promised amounts. In fact, YFS charged consumers illegal advanced fees totaling thousands of dollars before performing or completing their services, in violation of the Federal Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(5)(i).

9. Respondents also failed to obtain a surety bond or establish a trust account pursuant to the District of Columbia Consumer Credit Services Organization Act (“CCSOA”), D.C. Code § 28-4603(1) and are, on that basis, prohibited from charging advanced fees for their services. Respondents also do not provide consumers with the written agreement and disclosures required by the CCSOA, D.C. § 28-4605, prior to charging consumers fees.

10. Respondents failed to inform consumers regarding their right to cancel their purchases within 5 days of entering into any agreement with the Respondents in violation of the CCSOA, D.C. Code § 28-4605(c)(3).

11. Respondents either did not perform any services to reduce consumers’ debts, or in other instances only obtained a reduction of consumers’ debts in amounts other than what they guaranteed.

12. Respondents’ misrepresentations and material omissions of fact had the capacity, tendency, or effect of misleading consumers.

13. Respondents’ deceptive and illegal conduct constituted unlawful trade practices that violate the CPPA.

IV. RESPONDENTS' STIPULATIONS

14. Respondents' stipulate that they only sold debt relief services to six consumers.

15. The Office of Consumer Protection has relied on the Respondents' stipulation in negotiating the terms of this Assurance. Should the Office of Consumer Protection determine that Respondents' stipulation is, in fact, false, the Office of Consumer Protection may set aside this Assurance and take additional action against Respondents, including commencing an enforcement action against the Respondents.

V. INJUNCTIVE PROVISIONS

16. The provisions of this Assurance shall apply to YFS and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, wholly owned subsidiaries, and all other persons acting in concert with YFS.

17. The provisions of this Assurance shall apply to Grace De Paz and any partnership, corporation, or entity in which she, individually or jointly, currently or in the future, directly or indirectly, has any ownership interest and/or right to control, or for which she establishes policy or has the authority to establish policy.

18. The provisions of this Assurance shall apply to Respondents' conduct in connection with their offer and sale of debt relief in Washington, D.C.

19. Respondents shall not engage in any unlawful practice prohibited by the CPPA, D.C. Code §§ 28-3901, *et seq.*

20. Respondents shall not fail to state a material fact, the omission of which deceives or tends to deceive consumers.

21. Respondents shall not make any oral or written statements that have the capacity, tendency, or effect of deceiving or misleading consumers

22. Respondents shall comply with the CCSOA, D.C. Code §§ 28-4601, *et seq.*

23. Respondents shall not engage in the collection of fees before rendering services.

24. Respondents shall not offer, sell or provide debt relief services to consumers.

VI. RESTITUTION

25. Respondents shall pay restitution equal to the total of all amounts YFS received or collected from consumers and has not yet refunded to the consumers (the “Restitution Amount”).

26. Respondents shall discharge, cancel, release, forgive, and adjust to a zero balance any existing fees owed to it by any consumer.

27. Consumers shall be eligible to receive restitution equal to the amount of any fees that they paid to YFS for debt relief services, less any amounts that YFS has already refunded to the consumers.

28. Within thirty (30) days from the effective date of this Assurance, Respondents shall review their business and other records available to them, and provide the Office of Consumer Protection a list of all consumers that they identify during this review from whom YFS collected any amounts (the “Consumer List”). For each such consumer whose name is contained on the Consumer List, Respondents shall provide the

following information in the form of a spreadsheet, with each item below contained in a separate field that is capable of being sorted:

- a. the consumer's name;
- b. the consumer's street address;
- c. the consumer's city;
- d. the consumer's state;
- e. the consumer's zip code;
- f. the consumer's email;
- g. the consumer's telephone number;
- h. the balance of any fees any consumer owes to YFS;
- i. the total amount of any fees that YFS collected from each consumer;
- j. any amounts of any fees that YFS refunded to each consumer; and
- k. the amount of any fees YFS refunded to each consumer.

29. Within thirty (30) days from the effective date of this Assurance, Respondents shall pay the District of Columbia an amount equal to the "Restitution Amount," which shall be paid to the District of Columbia Treasurer and be held by the Chief Financial Officer for the District of Columbia and shall be distributed through the claims procedure described herein.

30. Using the data contained in the Consumer List, the Office of Consumer Protection shall conduct a claims procedure, the purpose of which shall be to confirm the location of each consumer entitled to receive restitution under this Assurance and to pay restitution to consumers eligible to receive restitution under paragraph 27 of this Assurance.

VII. MONETARY PAYMENT

31. Within thirty (30) days of the date of this Assurance, Respondents shall make a payment to the Office of Consumer Protection in the sum of Ten Thousand Dollars (\$10,000.00), payable to the Office of Attorney General for the District of Columbia, as a civil penalty.

VIII. ADDITIONAL TERMS

32. Respondents understand that this Assurance is enforceable by the Office of Consumer Protection and agree that any violations of this Assurance shall be considered an unlawful trade practice that violates the Consumer Protection Procedures Act subjecting Respondents to the legal and equitable remedies provided therein.

33. Any and all notices, requests, consents, or communications sent to Respondents or the Office of Consumer Protection pursuant to this Assurance shall be sent by first class mail and by email to the named persons at the following addresses:

For the Respondents

Grace De Paz
YFS, LLC
7616 Southland Boulevard
Suite 118
Orlando, FL 32809
grace@yfsolution.com
(407)949-4447

For the Office of Consumer Protection

Ashley N. Cloud
Assistant Attorney General
Office of Consumer Protection
Office of the Attorney General for the District of Columbia
441 4th Street, N.W., Suite 600 South

Washington, DC 20001
Ashley.Cloud@dc.gov
(202) 724-6622

34. Nothing contained herein shall be construed as relieving Respondents of their obligation to comply with all District of Columbia and federal regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

FOR THE DISTRICT OF COLUMBIA:

KARL A. RACINE
Attorney General for the District of Columbia

Dated: July 21, 2017

By:



PHILIP ZIPERMAN
Director, Office of Consumer Protection



JIMMY ROCK
Deputy Director



ASHLEY N. CLOUD
Assistant Attorney General

**FOR RESPONDENTS YF Solution, LLC
GRACE DE PAZ**

Dated: _____

GRACE DE PAZ
Member, YF Solution, LLC

Washington, DC 20001
Ashley.Cloud@dc.gov
(202) 724-6622

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FOR THE DISTRICT OF COLUMBIA:

KARL A. RACINE
Attorney General for the District of Columbia

Dated: _____

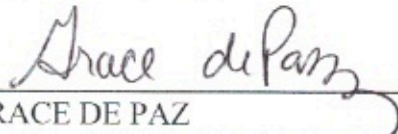
By: _____
PHILIP ZIPERMAN
Director, Office of Consumer Protection

JIMMY ROCK
Deputy Director

ASHLEY N. CLOUD
Assistant Attorney General

**FOR RESPONDENTS YF Solution, LLC
GRACE DE PAZ**

Dated: _____



GRACE DE PAZ
Member, YF Solution, LLC