



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of Consumer Protection
News Release

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HAWAII PART OF NATIONAL DEBT RELIEF FEES SETTLEMENT
Some Island Consumers Could Receive Refunds

HONOLULU –The Department of Commerce and Consumer Affairs (DCCA) through the Office of Consumer Protection (OCP) announced that it has partnered with the U.S. Consumer Financial Protection Bureau (CFPB) and four other states in the CFPB's first joint enforcement action against a nationwide debt-relief services company that illegally charged advance fees for its services.

A federal district court in Miami issued an order today at the request of the CFPB and the five states requiring that Payday Loan Debt Solutions, Inc. (PLDS) refund up to \$100,000 to consumers who were unlawfully charged advance fees for debt-settlement services. The court also granted an injunction barring PLDS and its president, Sanjeet Parvani, from engaging in unlawful conduct in the future.

PLDS allegedly contacted Hawaii residents through the Internet offering to reduce or eliminate payday loans owed by Hawaii residents and then charged them upfront fees before settling their loans.

"This case reaffirms that for-profit companies are barred from conducting debt-adjusting or debt-settlement services under Hawaii law. Generally, only nonprofit credit-counseling companies or attorneys licensed to practice law in Hawaii can perform such services," OCP Executive Director Bruce Kim said.

If Hawaii residents made advance payments to this company, OCP recommends that they contact PLDS immediately and request a refund of any outstanding balances believed to be in their accounts.

"Everyone is urged to use extreme caution if contacted online, by telephone or through the mail by anyone offering to settle, compromise or reduce your debts. Residents are also reminded that it is generally illegal under federal law for anyone to charge an upfront fee before attempting to settle your debts," Kim said.

OCP is pleased to join CFPB Director Richard Cordray and the CFPB in the first joint enforcement action between the CFPB and the states. The Office of Consumer Protection looks forward to working together with the CFPB in future consumer protection cases of mutual interest.

Hawaii was represented by Lisa Tong, a senior staff attorney in the Office of Consumer Protection.

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