



UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL PROTECTION
BUREAU, et al.

Plaintiffs,

vs.

STRATFS, LLC (f/k/a STRATEGIC
FINANCIAL SOLUTIONS, LLC), et al.

Defendants, and

STRATEGIC ESOP, et al.,

Relief Defendants.

Case No. 1:24-cv-00040-EAW-MJR

**ORDER REQUIRING THE CLOSURE OF CERTAIN DEDICATED ACCOUNTS AND
RETURN OF FUNDS TO CONSUMERS**

WHEREAS, when issuing the Preliminary Injunction in this case, the Court ordered the appointment of a receiver to, among other things, protect the interests of consumers. (*See* Dkt. No. 183 (Preliminary Injunction Decision and Order) at 55 (“Continuation of the receiver is necessary here to assist this Court, to ensure compliance with its order, to disentangle the companies and bank accounts, and *to protect consumers who are currently enrolled in the debt-relief program operated by defendants and the intervenor law firms.*”) (Emphasis added)); *see also* Dkt. No. 184 at 20 (Section IX(G) (requiring the Receiver to “...protect the interests of Consumers and third-party creditors who have transacted business with the Receivership Defendants[.]”);

WHEREAS, the Preliminary Injunction extends to “Persons and entities in active concert or participation with [any Defendant]” (*see* Dkt. No. 184 at 9 (Section I)) and requires these third parties to cooperate with the Receiver (*see id.* at 26 (Section XIII), including the payment processors who provide dedicated accounts to Strategic-affiliated law firm debt relief consumers,

namely (1) Global Holdings, LLC (“Global”) and (2) RAM Payment LLC, also known as Reliant Account Management (“RAM”) (together, the “Payment Processors”);

WHEREAS, certain law firm debt relief consumers do not have active payment plans with creditors but maintain dedicated accounts at the Payment Processors for which they are charged a monthly maintenance fee (for instance, \$10.95 a month);

WHEREAS, other law firm debt relief consumers have active payment plans which will be satisfied upon the final settlement payment;

WHEREAS, it is in the best interests of consumers to close dedicated accounts and return the remaining funds to consumers when they do not have an active payment plan; and

WHEREAS, the Court, having reviewed all relevant papers, including all legal briefing on file, and good cause appearing, the Court orders as follows:

It is **ORDERED** that for all law firm debt relief consumers who presently have no active payment plans with a creditor, the Payment Processors must (1) immediately from the date of this Order stop charging monthly fees to these consumers, and (2) within 30 days from the date of this Order, to close the dedicated accounts of these consumers and refund the money to the consumers’ bank accounts.

It is **FURTHER ORDERED** that for all law firm debt relief consumers who complete existing active payment plans, the Payment Processors must (1) stop charging monthly fees from the date of the consumers’ respective final payments, and (2) within 45 days of the date of the consumers’ respective final payments, close the dedicated accounts of those consumers and must refund the money in those dedicated accounts to the consumers’ bank accounts.

It is **FURTHER ORDERED** that if a payment processor is unable to refund money to a consumer’s bank account (for instance, the consumer’s account has been closed), then the

payment processor must take all reasonable steps to locate the consumer and make alternative arrangements to return the funds; and

It is **FURTHER ORDERED** that each payment processor shall report to the Receiver when it has complied with this Court's Order and must provide the Receiver with a list of all consumers to whom the payment processor has been unable to return the money held in their dedicated accounts.

IT IS SO ORDERED, this 7th day of January, 2025.



HONORABLE MICHAEL J. ROEMER
UNITED STATES MAGISTRATE JUDGE