

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 REGARDING RECEIVER’S REQUEST FOR FURTHER INSTRUCTION

WHEREAS, on May 22, 2024, the Receiver reported to the Court and requested further instruction regarding the next steps to be taken in connection with consumers who are in Strategic-affiliated law firm debt relief programs. *See* Dkt. No. 359-1;

WHEREAS, at the Court’s hearing held on November 20, 2024, the Intervening Law Firms (“Law Firms”) and the Strategic Defendants confirmed on the record through their counsel that they no longer opposed the Receiver’s May 22, 2024 Request for Instruction in light of the Law Firms’ recent withdrawal from representation of their clients;

WHEREAS, in his December 10, 2024 Letter to the Court, the Receiver further represented to the Court that the other parties (through counsel for the Individual Defendants and Mr. Blust and related entities) had no objections to the Receiver’s Request for Instruction;

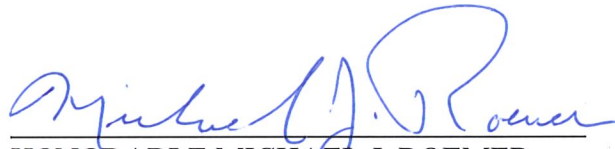
WHEREAS, in his December 10, 2024 Letter, the Receiver also apprised the Court of recent developments, particularly the Law Firms’ withdrawal from representation of consumers and payment processor Global Holdings, LLC’s (“Global”) response thereto;

WHEREAS, these recent developments required the Receiver to modify the Request for Instruction; and

WHEREAS, the Court having reviewed all relevant papers including all legal briefing on file, and having given all parties an opportunity to be heard fully on this matter, and good cause appearing, the Court orders as follows:

It is hereby **ORDERED** that the Receiver may send a notice to consumers who are or were law firm debt relief clients of the Law Firms to update them on recent developments in the case, including the facts that: (1) the Law Firms have withdrawn their representation; (2) Strategic's customer support will be discontinued in 60 days for consumers without existing payment plans and those with dedicated accounts at Global; (3) consumers will be able to access their portals for a period of 60 days to obtain lists of their debts and other relevant documents; and (4) Strategic will not negotiate any further debts and all outstanding debts of remain the consumer's individual responsibility to resolve. The Notice shall explain that Global will supply ongoing payment assistance and provide consumers the contact information for Global.

IT IS SO ORDERED, this 13th day of December, 2024.


HONORABLE MICHAEL J. ROEMER
UNITED STATES MAGISTRATE JUDGE