



UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL PROTECTION
BUREAU, *et al.*

Plaintiffs,

v.

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

Defendants, and

STRATEGIC ESOP, *et al.*,

Relief Defendants.

Case No. 24-C-40 EAW-MJR

STIPULATED ORDER

On October 25, 2024, Intervening Law Firms¹ filed a Motion Seeking Non-Objection to Withdrawal (Dkt. 469). The motion sought permission from the Court to send a communication to clients of the Intervening Law Firms (Draft Termination Letter, Dkt. 269-11), and “confirmation from the Court that the Law Firms’ withdrawal from representing their current clients . . . does not violate the Court’s preliminary injunction order or any other orders of this Court.” (Dkt. 469-10, at 1).

¹ Movants are Anchor Law Firm, PLLC, Bedrock Legal Group, Boulder Legal Group, Bradon Ellis Law Firm LLC, Canyon Legal Group, LLC, Chinn Legal Group, LLC, Clear Creek Legal, LLC, Credit Advocates Law Firm, LLC, Great Lakes Law Firm, Greenstone Legal Group, Gustafson Consumer Law Group, LLC, Hallock & Associates LLC, Hallock and Associates, Harbor Legal Group, Heartland Legal Group, Leigh Legal Group, PLLC, Level One Law, Meadowbrook Legal Group, Michel Law, LLC, Monarch Legal Group, Moore Legal Group, LLC, Newport Legal Group, LLC, Northstar Legal Group, Option 1 Legal, Pioneer Law Firm P.C., Rockwell Legal Group, Slate Legal Group, Spring Legal Group, Stonepoint Legal Group, The Law Firm of Derek Williams, LLC, The Law Office of Melissa Michel LLC, Whitestone Legal Group, and Wyolaw, LLC.

The Court discussed the motion with the parties at a hearing on October 30, 2024, at which time the Court urged the parties to discuss a negotiated resolution of the motion. (See Dkt. 475: Minute Entry.)

Upon due consideration, it is hereby:


ORDERED, that the Intervening Law Firms sending the Termination Letter in the form shown attached to this Order will not be deemed a violation of the Preliminary Injunction (Dkt. 184) or other order of this Court to-date; and it is further

ORDERED, that this Court makes no finding or other ruling with respect to the Intervening Law Firms' withdrawal from representation of clients, as that issue is not before the Court; and it is further

ORDERED, that the Intervening Law Firms and their attorney members and employees shall not represent to anyone that this Order constitutes a finding by this Court regarding the application of any rules of professional conduct or responsibility for attorneys to any acts by said firms or attorneys.

SO ORDERED:

Dated: November 13, 2024.


Hon. Michael J. Roemer
United States Magistrate Judge

SUBJECT: TERMINATION OF SERVICES

Dear Client(s),

Unfortunately, your Law Firm, insert name, (“Firm”) can no longer represent you in connection with your efforts to resolve your credit card debt. Please read this letter carefully as it contains important information.

As you know, one of the Firm’s main vendors (StratFS and its affiliates) was sued by the federal government and seven states in New York in January 2024. As a result of a temporary restraining order and preliminary injunction entered in that lawsuit, the Firm has been unable to accept any fees, and under the circumstances, cannot continue to represent you.

As a result, the Firm cannot continue to provide services to you. Therefore, we must withdraw from representing you (with one exception noted below) effective immediately. If you have questions about this process, you may call us at 888-777-9367 or visit www.yourlawfirmfaqs.com to obtain further information.

What about any creditors who have sued me? As stated above, the Firm is withdrawing from its representation of you immediately. However, there is an exception to that. If you have been sued by a creditor, and the Firm is currently representing you in that lawsuit, the Firm will continue to represent you through the completion of that lawsuit. Importantly, the Firm will only represent you in that lawsuit, and not with respect to any other credit card accounts you might have or future lawsuits.

What are my options going forward? The Firm encourages you to immediately seek other options. You may wish to contact a different attorney to obtain legal representation. As the court-appointed Receiver in the New York lawsuit has previously advised you, you may choose to (1) file for bankruptcy, (2) consult with a credit counseling agency, (3) negotiate any remaining debt on your own directly with the creditor, or (4) seek out a different debt--resolution provider to negotiate any remaining debt. If you need a copy of your client file, you may request it at filerequest@clientfilerequest.com. In addition, the vast majority of your client file may also be obtained via your secure portal.

What about my account at Global/Ram? When you opened a dedicated savings account at Global/RAM, that was and is your account, and you have full control over the money. That account should contain all funds you have put into it since January 2024 minus banking fees and any previously scheduled settlement payments to creditors. This money is your money, and you have full control over it. Note that unless you have previously canceled, payments may have been

automatically deposited into your dedicated savings account since January 2024, though the Firm has not taken any fees. You are entitled to withdraw those funds if you wish. **Global can be reached at 877-271-1550. RAM can be reached at 877-859-1450. Throughout this paragraph and the next paragraph, we need to select one or the other depending on which firm it is. Global for everyone except Bedrock, Rockwell, Whitestone, Harbor and Monarch.**

What if I am in the middle of a term settlement? If you have a settlement that is already in process, we urge you to continue to make payments into your Global/RAM account to ensure there are sufficient funds to complete that settlement. **We urge you to contact Global/RAM** to confirm whether you have any ongoing settlements and whether there are sufficient funds in your account to complete those settlements. Please be advised that if you withdraw your funds from Global/RAM, you will need to continue to make payments to the creditor directly so you do not lose the benefit of those settlement agreements. Global/RAM should be able to provide you payment instructions for any scheduled settlement payments.

Will you contact my creditors? Yes. The Firm has previously advised your creditors that you are represented by the Firm and that communications must be forwarded to the Firm. We will communicate with those creditors and advise them that our representation has been terminated and that further communication should be directed to you. Again, if any of your creditors has sued you and the Firm is representing you in any such lawsuit, the Firm will continue to represent you in that lawsuit through the completion of that lawsuit. We have also posted a template letter to your secure portal. You may send that directly to any of your creditors to alert them of this termination.

Again, we apologize for this unfortunate situation and urge you to seek new representation and wish you the best in your efforts to resolve your credit card debt.

FAQs

Questions

Answers

The law firm will no longer represent you if you are sued, negotiate on your behalf, or otherwise contact your creditors for you unless you have an account that is currently in litigation (see below). You are free to deal with your creditors directly as you see fit or pursue other options like bankruptcy or credit counseling.

What does it mean that the law firm has withdrawn its representation of me?

If your payment processor is Global, please call 1-877-271-1550 to request that your funds be returned to you. If your payment processor is RAM, please call 1-877-859-1450 to request that your funds be returned.

How do I get my money from Global/RAM?

The law firm is not providing refunds at this time. However, because the law firm has not taken fees since January 2024, you should contact Global or RAM (depending on which one is your payment processor) to confirm how much money may be in your dedicated account.

How do I get a refund of the fees I paid?

The court appointed a Receiver to manage the business of Strategic Financial Solutions. The Receiver has agreed to continue to process settlement payments out of your Global or RAM designated savings account provided you continue to fund that account. The Receiver will not charge you any fees for those services. You can also choose to pay your term settlements directly to your creditors. You can get the names and proper mailing addresses of your creditors from your payment processor - either Global or RA.

What happens to any term settlements that are in place currently?

If one of your accounts is currently in litigation, your litigation attorney will continue to work to resolve the litigation as appropriate. Unfortunately, the law firm will not be able to assist you if any additional lawsuits are brought in the future by any of your creditors.

If I have an account that is currently in litigation, how is that impacted?

You can access a copy of your file by visiting your online client portal. If you need assistance accessing the portal, please contact client services at _____. You can also request a copy of your file by submitting a written request to filerequest@clientfilerrequest.com

How can I get a copy of my file?

The law firm will send notices to known creditors, but will also provide to you a "letter of non-representation" that you can customize and use as needed in the future. A copy of this letter can be found in your online portal.

Will my creditors be notified that the law firm is no longer representing me?

In your client portal you can find a draft "letter of non-representation." You can download or print off that letter, fill in the blanks with the creditor details and send to the creditor letting them know the law firm no longer represents you. The creditor is now free to work with you directly.

What if my creditors won't work with me directly due to the law firm's prior representation regarding my accounts?