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U.S. DISTRICT COURT  
DISTRICT OF MARYLAND

2003 NOV 19 A 11:30

**UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND**

CLERK'S OFFICE  
AT GREENBELT

BY \_\_\_\_\_ DEPUTY

**FEDERAL TRADE COMMISSION** )  
600 Pennsylvania Avenue, Northwest )  
Washington, District of Columbia 20580 )  
Plaintiff, )

v. )

**AMERIDEBT, INC.,** )  
12800 Middlebrook Road )  
Germantown, Maryland 20874 )  
Montgomery County, )

**DEBTWORKS, INC.,** )  
12850 Middlebrook Road )  
Germantown, Maryland 20874 )  
Montgomery County, )

**ANDRIS PUKKE,** )  
11509 Dahlia Terrace )  
Potomac, Maryland 20854-1174 )  
Montgomery County )  
Defendants, and )

**PAMELA PUKKE a/k/a Pamela Shuster** )  
11509 Dahlia Terrace )  
Potomac, Maryland 20854-1174 )  
Montgomery County )  
Relief Defendant. )

**Civil Action No.:**

**Complaint for Injunctive and  
Other Equitable Relief**

**COMPLAINT FOR INJUNCTIVE  
AND OTHER EQUITABLE RELIEF**

The Federal Trade Commission alleges:

1. This is an action under Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) and 53(b), and Sections 503 and 505(a)(7) of the Gramm-Leach-Bliley Act ("GLB Act"), 15 U.S.C. §§ 6803 and 6805(a)(7), to secure permanent injunctive relief and other

equitable relief, including rescission, reformation, restitution, and disgorgement, against Defendants for engaging in unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act, as amended, 15 U.S.C. § 45(a), and failure to provide consumers with the disclosures required by Subtitle A of Title V of the GLB Act, 15 U.S.C. §§ 6801 through 6809, and the FTC's Privacy of Consumer Financial Information Rule ("Privacy Rule"), 16 C.F.R. Part 313.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction over this matter pursuant to 15 U.S.C. §§ 45(a), 53(b), 6805(a)(7), and 28 U.S.C. §§ 1331, 1337(a) and 1345.

3. Venue is proper in the United States District Court for the District of Maryland under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

### **PARTIES**

4. Plaintiff, the Federal Trade Commission, is an independent agency of the United States Government created and given statutory authority and responsibility by the FTC Act, as amended, 15 U.S.C. §§ 41-58. The Commission is charged with enforcing Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce, and Title V of the GLB Act, 15 U.S.C. §§ 6803 and 6805(a)(7). The Commission is authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to initiate federal district court proceedings to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including, but not limited to, restitution and disgorgement.

5. AmeriDebt, Inc. ("AmeriDebt") is a Maryland non-stock corporation with its principal place of business at 12800 Middlebrook Road, Germantown, Maryland. AmeriDebt has also

conducted business at 12850 Middlebrook Road, Suite 400, Germantown, Maryland. AmeriDebt transacts business in this District. Although AmeriDebt has obtained 501(c)(3) status from the Internal Revenue Service, it operates for the economic benefit of for-profit companies and/or private persons and is therefore a "corporation" within the meaning of Sections 4 and 5(a) of the FTC Act, 15 U.S.C. §§ 44 and 45(a).

6. DebtWorks, Inc. ("DebtWorks") is a Maryland corporation with its principal place of business at 12850 Middlebrook Road, Suite 210, Germantown, Maryland. Previously, DebtWorks maintained its principal place of business at 12850 Middlebrook Road, Suite 400, Germantown, Maryland. DebtWorks is a for-profit company that transacts business in this District.

7. Andris Pukke ("Pukke") is DebtWorks' founder and sole shareholder. In addition, Pukke was chairman and chief executive officer of DebtWorks from July 1999 to May 2002 and its president from July 1999 to January 2002. Pukke also assisted in the founding of AmeriDebt. Individually or in concert with others, he directs, controls, formulates, or participates in the acts or practices alleged in this complaint. He resides, transacts or has transacted business in this District.

8. Defendants AmeriDebt, DebtWorks, and Pukke operate together as a common enterprise.

9. Relief Defendant Pamela Pukke (also known as Pamela Shuster) was one of the original founders of AmeriDebt and served as a director, vice president, and treasurer from at least March 1997 until October 1999. She also signed at least one document as President of AmeriDebt in December 2000. Individually or jointly with her spouse, Andris Pukke, she has received funds and other property that were derived unlawfully from payments by consumers as a consequence of the acts and practices complained of herein, and she does not have a legitimate claim to those funds. She resides in

this District.

### **DEFENDANTS' BUSINESS PRACTICES**

10. AmeriDebt styles itself as a non-profit credit counseling organization dedicated to assisting consumers having difficulties with their personal finances. Its clients include over-extended consumers with excessive debt who are having difficulties making their required monthly payments on time.

11. The credit counseling industry has been in existence for over 50 years. Historically, credit counseling organizations have been non-profit companies offering consumers with financial difficulties advice from credit counselors. This advice may include helping consumers develop a budget and providing advice on reducing expenses.

12. When appropriate for a particular consumer, a credit counseling organization may also offer to help the consumer restructure his existing debt payments through a debt management plan ("DMP"). DMPs allow consumers to pay the credit counseling organization one consolidated monthly payment for all of their unsecured debts that are included in the plan. After the monthly payment is collected, the organization disburses payments to the creditors on the plan. Creditors often offer reduced interest rates and waiver of certain fees to consumers who pay through a DMP. Many of these non-profit organizations charge small fees, such as \$19 to enroll plus \$12 for monthly maintenance, or no fee at all.

13. Although AmeriDebt's website has stated that Defendants are "the industry leader in credit counseling and debt management," and that they will "teach you how to handle credit in the future" (Exhibits 1 and 2), Defendants do not provide advice about consumers' finances or teach them

how to handle debt in the future. Instead, they enroll all of their clients in DMPs, and their dealings with consumers consist of describing the DMPs and enrolling consumers on the plans. Defendants solicit prospective clients for the DMPs through television, radio, print, and internet advertisements. These advertisements make various claims about the services that Defendants provide to consumers and invite consumers to call AmeriDebt for a free consultation. In 2001, Defendants spent more than \$11 million on advertisements.

14. Defendants employ customer service representatives, whom Defendants call “counselors,” to sell DMPs to consumers. Defendants train these representatives to market the DMPs by making a variety of statements about the services offered and terms of enrollment. The representatives receive bonuses based on the amount of revenue they generate – that is, the amount of fees they collect from consumers.

15. Defendants represent, both in advertisements and orally, that they do not charge up-front fees for enrolling in the DMPs. For example, in a television advertisement, Defendants state, “We’re a non-profit organization offering free consultations and solutions to consumers seeking to eliminate their debt.” (Exhibit 3). In response to the question, “How much will it cost me to be on the Debt Management Program,” AmeriDebt’s website has stated, “Due to the fact that AmeriDebt is a non-profit organization, we do not charge any advance fees for our service. We do request that clients make a monthly contribution to our organization to cover the costs involved in handling the accounts on a monthly basis.” (Exhibit 4).

16. In the initial telephone call with the consumer, Defendants’ representative obtains the consumer’s debt information, determines the estimated amount of the consumer’s monthly payment

under the DMP, tells the consumer when he will receive the contract (usually the same day via fax or internet), and presses the consumer to return the signed contract immediately.

17. After Defendants receive the signed contract, Defendants' representative contacts the consumer, tells him that he must make the first payment to be formally enrolled in the program, and urges him to make the payment quickly. In most instances, Defendants keep the consumer's first payment as the up-front fee for participating in the DMP, and disburse none of it to creditors.

18. Although Defendants refer to the up-front payments in their form contracts, they call the payments "contributions" and state that they are voluntary. These disclosures, which come late in the transaction, are inconsistent with the statements Defendants have already made to consumers that there are no up-front fees to obtain Defendants' services. Moreover, Defendants' description of the fees as "voluntary" leads consumers to believe that they have a choice about whether and when to make these contributions, not that Defendants will automatically keep consumers' first payments.

19. In addition to charging up-front fees, Defendants charge consumers monthly fees in order to participate in the DMPs. Monthly fees are typically \$7 for each account included in the DMP, with a minimum total monthly fee of \$20 and a maximum fee of \$70 per month for the life of the plan (typically, three to five years). Although the fees generate substantial revenues for affiliated for-profit entities and individuals, Defendants repeatedly represent to consumers that AmeriDebt is a non-profit entity.

20. Once AmeriDebt has enrolled the consumer in the DMP, AmeriDebt sends the consumer's file to its servicing company. From September 1999 until December 31, 2002, DebtWorks was the servicing company for all of Defendants' DMP accounts. DebtWorks has earned substantial

fees from these services. For example, AmeriDebt paid DebtWorks over \$13 million in 2000 and \$27 million in 2001 for servicing the DMP accounts.

21. As AmeriDebt's servicing company, DebtWorks handled all communications with creditors and consumers, including setting up repayment terms with creditors, fielding incoming calls from consumers, making outgoing calls to consumers and creditors, updating consumers' information, collecting payments from consumers, and disbursing payments to creditors.

22. Defendants conduct the business practices described in this complaint through an interrelated maze of companies that have had common ownership, officers, and business functions. For example, Defendant Pukke was instrumental in the founding of AmeriDebt, currently owns DebtWorks, and controlled both companies for a period of time. Further, other individuals have held key leadership positions for more than one of the corporate Defendants. For example, DebtWorks' former chief operating officer was also a manager and director of AmeriDebt. In addition, after AmeriDebt enrolled a consumer in a DMP, DebtWorks performed the remainder of the operations associated with the DMP, and DebtWorks employees held themselves out to be employees of AmeriDebt.

## **FEDERAL TRADE COMMISSION ACT VIOLATIONS**

### **Count I: Misrepresentation of Up-Front Fees**

23. Plaintiff incorporates by reference all of the foregoing paragraphs.

24. In numerous instances, through their advertisements, contracts, and employees Defendants have represented, expressly or by implication, that they charge no up-front fees for enrolling in the DMPs.

25. In truth and in fact, Defendants do charge up-front fees for enrolling in the DMPs. Therefore, Defendants' representations were, and are, false or misleading.

**Count II: Deceptive Omission That Defendants Retain All or a Substantial Portion of a Consumer's First Payment as a Fee**

26. Plaintiff incorporates by reference all the foregoing paragraphs.

27. Defendants, through their advertisements, contracts, and employees, have represented, expressly or by implication, that consumers' payments will be disbursed to creditors. Defendants have failed to disclose that Defendants keep all or a substantial portion of a consumer's first payment as a fee. This fact would be material to consumers. Defendants' failure to disclose this fact, in light of the representations made, was, and is, a deceptive practice.

**Count III: Misrepresentation That Defendants Teach Consumers How to Handle Credit and Finances in the Future**

28. Plaintiff incorporates by reference all the foregoing paragraphs.

29. Defendants, through their advertisements, contracts, and employees, have represented, expressly or by implication, that they teach consumers how to handle their credit and finances in the future.

30. In truth and in fact, Defendants do not teach consumers how to handle their credit and finances in the future. Therefore, Defendants' representations were, and are, false or misleading.

**Count IV: Misrepresentation That AmeriDebt is a Non-Profit Entity**

31. Plaintiff incorporates by reference all of the foregoing paragraphs.

32. Defendants, through their advertisements, contracts, and employees, have represented, expressly or by implication, that AmeriDebt is a non-profit entity.

33. In truth and in fact, AmeriDebt is not a non-profit entity. Therefore, Defendants' representations were, and are, false or misleading.



## **GRAMM- LEACH- BLILEY ACT VIOLATION**

### **Count V: Failure to Provide Required Disclosures**

34. Plaintiff incorporates by reference all of the foregoing paragraphs.

35. AmeriDebt is a financial institution for purposes of the GLB Act and the Privacy Rule. 15 U.S.C. 6809(3); 16 C.F.R. Part 313.3(k). Pursuant to the GLB Act and the Privacy Rule, AmeriDebt was required to provide, on or before July 1, 2001, notices to their customers regarding the collection, disclosure, and protection of nonpublic personal information about its customers.

36. AmeriDebt did not send these required notices to its existing customers until July 2002.

37. AmeriDebt's failure to provide notices to its existing customers on or before July 1, 2001 constitutes a violation of Section 503 of the GLB Act, 15 U.S.C. § 6803, and the Privacy Rule, 16 C.F.R. Part 313.

## **CONSUMER INJURY**

38. Consumers have suffered, and will continue to suffer, substantial injury as a result of Defendants' violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section 503 of the GLB Act, 15 U.S.C. § 6803, and the Privacy Rule, 16 C.F.R. Part 313, as set forth above.

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff requests that this Court, as authorized in Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and pursuant to its own equitable powers:

1. Enter judgment against Defendants and in favor of plaintiff for each violation charged in the Complaint;

2. Permanently enjoin and restrain Defendants from violating the FTC Act as alleged herein;

3. Permanently enjoin and restrain Defendant AmeriDebt from violating Section 503 of the GLB Act or the Privacy Rule as alleged herein;

4. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but not limited to, the rescission of contracts, the refund of monies, and the disgorgement of ill-gotten monies;

5. Award such relief against Relief Defendant Pamela Pukke that the Court deems necessary to protect and return funds and other property to which Pamela Pukke has no legitimate claim that were derived from Defendants' violations of Section 5(a) of the FTC Act, including an order to disgorge all ill-gotten gains or proceeds that she has received as a result of the acts and practices complained of herein, and an order imposing a constructive trust upon such gains or proceeds; and

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6. Award Plaintiff such other and additional equitable relief as the Court may determine to be just and proper.

Dated: November 19 2003

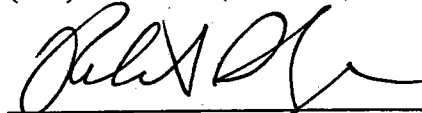
Respectfully Submitted,

FEDERAL TRADE COMMISSION  
WILLIAM E. KOVACIC  
General Counsel



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- Who We Are
- Our Services
- Apply Online
- Credit Report
- Debt Facts
- Debt Calculator
- FAQ
- News Media
- Contact Us
- Home
- Existing Clients Home Page
- Watch Our Commercial
- Save Video Stream
- Win a Trip

★ Who we are

AmeriDebt is a non-profit organization dedicated to assisting consumers that are having difficulties with their personal finances. We are the industry leader in credit counseling and debt management.

In a national climate of rising debt, we can provide both advice and solutions to consumers who are struggling with their creditors.

AmeriDebt offers the most beneficial program in the industry. We offer many solutions through our debt management program that can assist our clients into reducing their overall debt.

AmeriDebt understands the countless circumstances that force consumers into debt: medical emergencies, sudden loss of income, and over spending... Our counselors can tailor a repayment plan to meet your particular needs. We negotiate the best possible arrangements with your creditors so that you repay your debt and meet living expenses at the same time.

[Click Here to Apply On-line](#)

★ **Call Now 1-800-408-0044**  
for a **FREE** evaluation in **15 MINUTES** or less!

[Who We Are](#) | [Our Services](#) | [Apply Online](#)  
[Credit Report](#) | [Debt Facts](#) | [Debt Calculator](#) | [FAQ](#)  
[News Media](#) | [Contact Us](#) | [Home](#)  
[Existing Clients Home Page](#)

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**AMERIDEBT**  
non-profit organization

## ★ Our Services

### Benefits

AmeriDebt works directly with your creditors to create the ideal repayment plan for you. Since AmeriDebt is a non-profit agency, creditors are willing to offer our clients numerous benefits, such as:

- Reduction in minimum payments, as much as 50%
- Consolidation of multiple payments into one simple monthly payment
- Reduced or eliminated interest rates
- Elimination of late charges and over the limit fees
- Re-aging of past due accounts (Bringing accounts to current status with creditor)

### Program Steps

1. Your specialized counselor will review your budget information and suggest one of our debt management programs. Most credit counseling companies offer few options, while Ameridebt leads the industry with many solutions for your individual needs. We can even refer you to a lender after completing 7 months of on-time and in-full payments to apply for a debt consolidation loan. However, we cannot guarantee you a loan since approval or denial is the sole right of the lender. With these unique programs and top rated customer service, Ameridebt is the leading choice for your personal financial needs.

2. After deciding which program will be the most beneficial, you will decide when you will be making your first payment to AmeriDebt. You will have one easy date that will be your payment date every month. There will be no more different due dates to remember or budget for!

3. If after discussing your financial situation with your counselor you decide to enroll in our debt management program, AmeriDebt will contact your creditors and negotiate with them to have your monthly payments lowered and your interest rates reduced. You then simply send one reduced monthly payment to AmeriDebt and we distribute the funds to your creditors on your behalf. You will still receive your monthly statements, so you will see your balances dropping. If any of your creditors contact you, you can direct them to AmeriDebt. You'll be assigned a personal account specialist to deal with any questions or situations that may arise.

Who We Are

Our Services

Apply Online

Credit Report

Debt Free

Debt Calculator

FAQ

News Media

Contact Us

A Home

Existing Clients

Home Page

Watch Our Commercial

Select Video Stream

Win a Free

Home

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4. Simply keep making your monthly payments on time and you will be on the road to a better credit rating, stable finances and eliminating your debt!

(The initial repayment plan is subject to adjustment based on creditors' individual requirements-AmeriDebt will notify you when more payment may be required to satisfy creditor's needs. There is no industry standard as to what benefits creditors will extend to AmeriDebt's clients, so every repayment plan depends in part on which creditor is involved.)

## **Results**

As a result of the benefits that we can achieve for you, you will be able to pay off your debt in much less time than you could on your own.

Our average client maintains a \$10,000 debt with an 18.5% interest rate. Without AmeriDebt, by paying the monthly minimum payment, it would take at least 32 years and \$24,500 to pay off the original debt.

With AmeriDebt that same client's debt will be paid off much sooner: usually 3 to 5 years, even with the reduced monthly payments!

How? Interest rate reductions, consistent on-time payments, and reduced late charges work together to effectively shrink the total balance owed. Before a client joins AmeriDebt, most of his or her payments are applied to interest charges. This barely changes the balance amount. By reducing the interest, you can pay off the balances in a lot less time!

The Debt Management Program is also designed to provide you with easily accessible help and guidance. Our counselors are available to handle harassing phone calls from creditors, assist you with legal situations and teach you how to handle credit in the future. Our counselors also make budgeting suggestions so that you can save more money each month and spend your earnings more efficiently.

## **Do you think you'd be better off declaring bankruptcy?**

AmeriDebt can probably help save you those court costs and the loss of precious assets. Please talk to one of our counselors if you are considering bankruptcy to find out about the alternatives. We can direct you to bankruptcy assistance if that is the best solution for your specific situation.

We're here to find the best way to get you back on track

and debt free!

[Click Here to Apply Online](#)

★ **Call Now 1-800-408-0044**  
for a **FREE** evaluation in **15 MINUTES** or less!

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[Credit Report](#) | [Debt Facts](#) | [Debt Calculator](#) | [FAQ](#)  
[News Media](#) | [Contact Us](#) | [Home](#)  
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CONFIDENTIAL

# em television

**Client:** AMERIDEBT  
**Title:** One Story/ Revised  
**Length:** : 60  
**Draft:** Original  
**Date:** March 27, 2001

Video	Audio
<p>1. Open on a shot of a middle aged man going to the mailbox. (Bob)</p>	<p>1. Bob VO: When you have money problems, just going to the mailbox can be frightening.</p>
<p>2. Cut to him reaching in and getting the mail. (The view is from inside the mailbox as he opens the door and reaches inside.)</p>	<p>2. Bob VO: The bills and balances keep piling up; you're scared to even look.</p>
<p>3. Cut a close up of the telephone and the camera tilts up to include Bob's face as he looks at it.</p>	<p>3. Bob VO: It's the same when the phone rings. You know it's another creditor. So you're afraid to answer.</p>
<p>4. Cut to Bob walking up a flight of stairs in his home.</p>	<p>4. Bob VO: I don't know how my debt got so out of control; I thought bankruptcy was the only way out. Then I called Ameridebt and found the answer.</p>
<p>5. Cut to out of focus shot as Bob goes into his kids room and wakes them up.</p>	<p>5. Announcer: Everyday, Ameridebt helps more people with money problems. We're a non-profit organization offering free consultations and solutions to consumers seeking to eliminate their debt.</p>
<p>Super Ameridebt Logo and phone number.</p>	
<p>Super: Free consultation</p>	



**CONFIDENTIAL**

May 28, 2002

6. Camera racks into focus as kids jump out of bed excited and give Bob a hug.

7. Cut to Bob's wife brushing her hair in mirror as Bob comes in and jokes with her.

8. Cut to family putting luggage in car with beach stuff, ready to go on vacation.

9. Cut to Ameridebt logo and phone number.

Super: Home ownership not required

10. Cut to family in car happily pulling away.

11. Super: Ameridebt logo

Super: phone number

Super: Helping America get out of debt.

6. Bob VO: Now I don't have to struggle to keep up my monthly payments, and I won't spend the next 20 years paying off my credit card bills

7. Bob VO: Ameridebt contacted my creditors. They were able to get my interest rates reduced, and my payments were almost cut in half.

8. Bob VO: Now, my balances are dropping and I only have one small monthly payment.

9. Announcer: Call this number and in minutes, regardless of your situation, Ameridebt can help change your financial future.

10. Bob: Ameridebt gave me back my life.

11. Announcer: Ameridebt. Helping America get out of debt.

00683

Exhibit 3



- Who We Are
- Our Service
- Apply Online
- Credit Report
- Debt Facts
- Debt Calculator
- FAQ
- New Media
- Contact Us
- Home
- Existing Clients Home Page
- Watch our Commercial
- See Video Stream
- Win a Year

★ FAQ

- Why can't I just negotiate with creditors on my own?
- Why can't I just keep paying off my creditors on my own?
- How much will it cost me to be on the Debt Management Program?
- How will joining AmeriDebt's Program affect my credit rating?
- Can I send in more money once I have a better cash flow?
- Should I pay my bills in the time before I send you my first payment?
- After I pay off one account, can I just pay less?
- Will I still receive harassing phone calls?

**Q: Why can't I just negotiate with creditors on my own?**  
**A:** In some cases, you can negotiate with creditors on your own to arrange payment or have positive information reported to a credit bureau. However, to get the benefits of lowered monthly payments, lower interest rates, stopped late charges, and waived over the limit fees, you need AmeriDebt. As a non-profit organization, AmeriDebt credit counselors can secure you these benefits not usually available to credit consumers.

**Q: Why can't I just keep paying off my creditors on my own?**  
**A:** If you keep paying just the minimum to your creditors at the current interest rate, it will take you much longer than if you paid off your debt through AmeriDebt. A \$10,000 debt usually takes 32 years and \$24,500 to pay off, if you are paying the monthly minimum of 2.5% of the balance at an average interest rate of 18.5%. Because we may be able to reduce your interest rates, stop over the limit fees, and so on, it will take a lot less time to pay off your debt through us. Chances are, in the past, all your debt payments have just gone to pay off interest. You probably haven't even reduced the balance! On average, AmeriDebt clients pay off their debts in 3 to 5 years, depending on individual circumstances.

**Q: How much will it cost me to be on the Debt Management Program?**  
**A:** Due to the fact that AmeriDebt is a non-profit organization, we do not charge any advance fees for our service. We do request that clients make a monthly contribution to our organization to cover the costs involved

in handling the accounts on a monthly basis. As a non-profit organization, AmeriDebt depends on these small contributions to meet our operating costs. Our clients find that their increased cash flow from lower monthly payments, interest rate reductions and stopped late charges more than covers the cost of the monthly contribution.

**Q: How will joining AmeriDebt's Program affect my credit rating?**

**A1:** Do you have a good credit history? If yes, then you should be aware that your credit report may state that you are working through AmeriDebt. We can't guarantee how future creditors will interpret this information, but we believe that it shows you are trying to get help. Your credit report probably states that you've been carrying balances, made late payments in the past 7 years, or even missed payments, so it may not be as perfect a credit history as you think.

**A2:** If no, then AmeriDebt can only help you. If you make your payments in full and on time to AmeriDebt, then many of your creditors will "re-age" your account, which means they will show your accounts as current after several payments. Showing that you are working through a credit counseling service may show future creditors that you needed help but wanted to pay off your debts in full.

**Q: Can I send in more money once I have a better cash flow?**

**A:** Of course - you can always increase your monthly payment. The more you pay, the faster your accounts will be paid off. Just let AmeriDebt know you want to increase your payments beforehand so we can figure out which creditors to pay more money.

**Q: Should I pay my bills in the time before I send you my first payment?**

**A:** That's your decision, however we recommend that you do if you can. There is a brief negotiation period of approximately 30 days after we receive your first AmeriDebt payment. During this time we make arrangements for future payments with creditors. If you miss due dates for accounts during the negotiation period, you are at risk of penalties and negative information reported to the credit bureau.

**Q: After I pay off one account, can I just pay less?**

**A:** That's your decision, but we highly recommend that you pay the same amount and transfer whatever you used to pay for the other account to a high interest account. That way, as you pay off each account, you end up paying more to the remaining accounts, speeding up the process without changing your monthly spending budget.

**Q: Will I still receive harassing phone calls?**

**A:** You might the first several months on the program since it takes time for your creditor's collections department to find out you're with AmeriDebt. If you get a harassing call, inform the party to call AmeriDebt and speak to your account specialist. If you get a harassing call from a collection agency that is not part of your creditor's company, we will provide you with a cease and desist letter. 3rd party collection agents must obey this letter, according to the Fair Debt Collection Practices Act. Make sure you tell your account specialist if you receive any such calls from a collection agent.



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