



Division of Freedom Financial Network, LLC

October 8, 2009

Federal Trade Commission
Office of the Secretary
Room H-135 [Annex T]
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Telemarketing Sales Rule – Debt Relief Amendments, R411001

Dear Secretary Clark:

Please accept this letter as the initial submission of Freedom Debt Relief, LLC (“FDR”). FDR is the second-largest debt settlement services provider in the United States and has long been recognized as an industry leader and a strong advocate of forging constructive partnerships with state and Federal regulators. This letter is offered in response to the Commission’s invitation for comments in response to the Notice of Proposed Rulemaking (“NPRM”) on this matter and also for participation in its associated public forum.

FDR respectfully requests that the deadline for submitting comments be extended by a minimum of 120 days from the originally proposed deadline of October 9, 2009. Although we are aware that the Commission has recently extended the deadline from October 9 to October 26, FDR believes that a longer extension is necessary for several important reasons.

The Commission has offered as a primary justification for its proposed rulemaking its conclusion that debt settlement services provide little or no benefit to consumers. FDR’s historic experience with more than 65,000 clients to date compels a diametrically opposite conclusion. Indeed, preliminary information shows that, in the first nine months of 2009 alone, FDR successfully settled approximately 40,000 accounts aggregating more than \$206,000,000 of unsecured debt with savings to consumers in excess of \$120,000,000.

FDR has gathered data demonstrating that, in fact, we provide an immensely valuable service to consumers and a viable and important alternative to credit counseling and bankruptcy. However, the additional time that an extension would provide would enable a much more detailed and comprehensive presentation. In a matter of such gravity – where the very existence of many companies in our industry has been put into question – a thoughtful and considered approach is essential, and a full explication of all available and obtainable facts is required if the outcome is to adequately serve the public interest.

1875 S Grant Street Suite 450 San Mateo, CA 94402-2676 Phone: (800) 544-7211 Fax: (650) 292-2227
info@freedomdebtrelief.com
www.freedomdebtrelief.com

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The Commission itself has recognized that the record lacks sufficient historical data on debt settlement programs, particularly with respect to actual settlement experience for consumers, and has urged the industry to come forward with appropriate performance data. Extending the comment period by 120 days is necessary for FDR and other interested parties to have a reasonable opportunity to respond to the Commission's request.

Imposing a deadline sooner than 120 days hence would almost certainly result in Commission deliberations taking place in the absence of vital information, which would deny the Commission the credibility necessary to secure acceptance by the industry, the consuming public and other stakeholders, including state and Federal legislators and regulators, all of whom have an interest in the outcome of the Commission's actions. Furthermore, extension of the comment period would ensure that appropriate attention is paid to the anti-competitive consequences of the NPRM, including the unjustified advantages that would inure to credit counselors over debt settlement companies and the loss of jobs in an economy already reeling from the downturn.

Finally, regarding participation in the public forum on this matter, FDR would appreciate an opportunity to participate in that event and hereby requests that the undersigned, FDR's General Counsel, be permitted to address the Commission and the public at the hearing, currently scheduled for November 4, 2009. Besides having in-depth experience with the operation of debt settlement companies, I have worked extensively with state laws regulating debt settlement companies, and have participated at the state level in the policy deliberations of both regulators and legislators with respect to protecting consumer interests.

FDR requests that this letter be construed as an initial comment on the NPRM if the filing of a comment by October 9 remains a requirement for participation in the public forum. We are working on a full comment letter that will be submitted before the deadline as extended by the Commission. However, FDR believes that this public forum would be most productive if it occurs after the comment deadline and accordingly respectfully requests that the public forum and the deadline for seeking to participate in that event correspondingly be postponed until after the requested extended comment deadline.

Very truly yours,

 Robert Linderman
General Counsel



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

October 22, 2009

Robert Linderman, General Counsel
Freedom Debt Relief
1875 South Grant Street Suite 450
San Mateo, CA 94402-2676

Dear Mr. Linderman:

Thank you for your submission to the Federal Trade Commission dated October 8, 2009, regarding the proposed amendments to the Telemarketing Sales Rule covering debt relief services. You request that the Commission extend the period for public comment on the proposed rule by 120 days to provide commentors with additional time to consider and prepare responses regarding the legal and factual issues discussed in the Notice of Proposed Rulemaking (“NPRM”) the Commission announced on July 30, 2009.¹ You also state that industry members require more time to collect and analyze data about the debt relief industry.

The proposed rule involves important issues, and the Commission has thus far received more than 150 comments, including some comments from industry members. As you know, in response to earlier requests, the Commission has already extended the public comment period by 15 days, until Monday, October 26, 2009, thereby allowing additional time for the public to submit their comments without causing undue delay in the rulemaking proceeding.² In making that determination, the Commission expressly determined that a 120-day extension was “unnecessary to ensure that interested parties have an adequate opportunity to prepare and

¹ See *FTC Seeks Public Comment on Proposed Rules to Protect Consumers of Debt Relief Services* (July 30, 2009), available at <http://www.ftc.gov/opa/2009/07/tsr.shtm>; *Federal Trade Commission: Telemarketing Sales Rule: Notice of Proposed Rulemaking and Announcement of Public Forum*, 74 Fed. Reg. 41988 (August 19, 2009).

² *Federal Trade Commission: Telemarketing Sales Rule: Extension of Comment Period in the Notice of Proposed Rulemaking*, 74 Fed. Reg. 52914 (October 15, 2009).

submit comments and would cause undue delay. . . .,” and noted that the November 4, 2009 public forum would provide “another opportunity to provide information to the Commission.”³ With respect to the data issue you have raised, I would also note that the Commission has been studying and publicly requesting information about the debt relief industry since June 2008.⁴

Sincerely,

Donald S. Clark
Secretary of the Commission

³ *Id.*

⁴ See, e.g., FTC Press Release, *FTC to Hold Public Workshop to Examine Debt Settlement Industry; Agency Seeks Comments, Original Papers, and Participation* (June 2008) (requesting comments for public workshop on debt relief including “any original research, surveys, and academic papers”).