



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

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December 18, 2009

Jeff Takle
DMB Financial
152 Conant Street
Beverly, MA 01915
Jtakle@dmbfinance.com

Dear Mr. Takle:

Thank you for the public comment you filed in the FTC's rulemaking proceeding regarding the Telemarketing Sales Rule - Debt Relief Amendments. We are seeking additional information to follow up on specific public comments, and we request that you voluntarily provide answers to the following questions.

Please let us know whether you will provide answers to the attached questions by Tuesday, January 5, 2010 and provide completed answers to all questions you are willing to answer by Tuesday, January 12, 2010.

All information should be submitted at <https://secure.commentworks.com/ftc-TSRDebtRelief> and will be treated as public comments in this proceeding. Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c), 16 CFR 4.9(c). Specifically, the comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission's General Counsel, consistent with applicable law and the public interest. See FTC Rule 4.9(c), 16 CFR 4.9(c).

Please contact me if you have any questions.

Sincerely,

/s/ Allison Brown

cc: Robby Birnbaum, via email, robby.birnbaum@gmlaw.com

Questions From FTC Staff Following Up on Public Comment

1. Company Background

- (a) How long have you been enrolling consumers in debt settlement programs?
- (b) Have you made significant changes in your programs since you began offering settlement programs?

2. Number of Accounts and Consumers

For each question, state the specific time period.

- (a) How much total debt have consumers enrolled with the company?
- (b) How many total consumers have enrolled with the company?

“Enrolled” is defined as consumers who have made at least one payment.

3. Debt Reductions

- (a) What is the average percentage reduction of settled debt that consumers who completed your program received? Please calculate this percentage reduction using the amount owed at enrollment.

“Completed” is defined as having had 95%-100% of the consumer’s total amount of debt settled.

- (b) What is the average percentage reduction of settled debt that consumers who completed your program received? Please calculate this percentage reduction using the amount owed at settlement.

4. Accretion

What is the average rate of increase in amounts that consumers owe to creditors between enrollment and settlement?

5. Fee structure

- (a) The comment states on pages 5-7 that DMB Financial offers two fee structures. The comment states that under the Guardian Program, you collect a set-up fee, a monthly fee and a settlement fee upon settlement.

- (b) Under the Guardian Program, over how many months is the fee collected?

(c) Under the Guardian Program, how many consumers have enrolled with DMB Financial?

(d) Has the Guardian Program's fee structure changed over time?

(e) The comment states that under the Freedom Program, you collect no set-up fee, but rather a monthly fee and a settlement fee only after DMB Financial has negotiated a settlement and the funds are sent to the creditor. You also state that the fee amount is 35% of the consumer's savings. When did the DMB Financial begin offering the Freedom Program?

(f) Has the Freedom Program's fee structure changed over time?

(g) How many consumers have enrolled with DMB Financial under the Freedom Program? For clarification, "enrolled" is defined as consumers who have made at least one payment toward fees or settlement of debts.

(h) Under the Freedom Program, does DMB Financial require consumers to save enough money to cover the settlement amount and the fee to DMB Financial before DMB Financial negotiates a settlement and sends funds to the creditor?

(i) What is the total amount of fees paid by consumers who have completed the program?

(i) What is the total amount of fees paid by consumers who have completed the program under the Guardian Program?

(ii) What is the total amount of fees paid by consumers who have completed the program under the Freedom Program?

(j) For consumers who have dropped out of the program before completion, what is the total amount of fees paid by them?

(i) What is the total amount of fees paid by consumers who have dropped out of the Guardian Program?

(ii) What is the total amount of fees paid by consumers who have dropped out of the Freedom Program?

6. Completion Rate

(a) Of consumers who enrolled in the program at least 36 months ago, what percentage have completed it?

(b) Of consumers who enrolled in the program at least 36 months ago, what percentage are still active?

(c) If you can provide answers to these questions separately for the Guardian Program and the Freedom Program, please do so.

(d) The comment states that DMB's completion rate for consumers in New York is 52%. If New York customers are representative of customers nationwide, please provide the basis for this statement.

7. Number of Settlements

(a) What percentage of consumers who enrolled in your program settled at least one debt in the first year after enrolling?

(b) What percentage of consumers who enrolled in your program settled at least one debt in the first two years after enrolling?

(c) How many consumers who have enrolled in your program have dropped out before settling any debts?

(d) If you can provide answers to these questions separately for the Guardian Program and the Freedom Program, please do so.

8. Additional Questions

(a) The comment has a chart comparing alternative debt relief options for a consumer with \$39,000 in debt (page 3).

(i) Please explain in detail the assumptions underlying the stated savings rate for debt settlement. For example, did you assume that interest and fees stop accruing for a consumer enrolled in debt settlement?

(ii) What criteria does the company use to determine how much of his debt a consumer can afford to pay?

(b) The comment states that most clients who terminate the debt settlement program do so because they file for bankruptcy or cannot afford to continue saving towards a settlement, not because of unhappiness with DMB Financial (page 11). What is the basis for this assertion?

(c) The comment states that credit issuers debt settlement provides creditors with the highest expected return on the dollar: \$.25-\$.60, as compared to \$.12-\$.18 for litigation and \$.06-\$.25 for debt collection (page 13). What is the basis for the stated rates of return?