NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
ONE STATE STREET
NEW YORK, NEW YORK 10004

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In the Matter of :

ROACH & MURTHA ATTORNEYS AT LAW, P.C.
d/b/a/ ROACH & MURTHA, P.C. :

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CONSENT ORDER

The New York State Department of Financial Services (the "Department" or "DFS") and Roach & Murtha Attorneys at Law, P.C. d/b/a/ Roach & Murtha, P.C. ("Roach & Murtha" or the "Firm") are willing to resolve the matters described herein without further proceedings.

WHEREAS, Section 408(a)(1)(B) of the Financial Services Law empowers the Superintendent to investigate and levy a civil penalty for violations of New York State or federal fair debt collection practices;

WHEREAS, the Department commenced an investigation, pursuant to Section 404 of the Financial Services Law, of Roach & Murtha for the period of January 1, 2018 through December 31, 2022 ("the Relevant Period");

WHEREAS, the Department investigated Roach & Murtha's compliance with the requirements of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. § 1692, and related law with respect to the collection of consumer debt;

WHEREAS, the FDCPA was enacted to promote consistent state action to protect consumers against collection abuses and prohibit debt collectors from engaging in abusive, deceptive, or unfair practices;

WHEREAS, the Department found that, in violation of the FDCPA, Roach & Murtha (1) failed to conduct meaningful attorney review of case files prior to executing on default judgments by restraining New York consumers' bank accounts and issuing property executions or income executions to garnish consumers' wages, (2) used false, deceptive, and misleading representations in connection with the collection of consumer debt in numerous instances; and (3) employed unfair and unconscionable means to collect on consumer debts;

WHEREAS, the Department found that Roach & Murtha executed and collected on judgments without valid assignments in some instances and failed to provide numerous consumers with required FDCPA statutory disclosures prior to executing on assigned judgments; and

WHEREAS, this Consent Order contains the Department's findings and the relief agreed to by the Department and the Firm.

NOW THEREFORE, in connection with an agreement to resolve this matter without further proceedings, the Department finds as follows:

THE DEPARTMENT'S FINDINGS

Respondent

1. Roach & Murtha is a domestic professional service corporation and debt collecting law firm, incorporated in the State of New York.

2. Roach & Murtha is a debt collector, as defined herein and pursuant to 15 U.S.C. § 1692a(6).

3. Roach & Murtha is registered and licensed by the New York City Department of Consumer and Worker Protection as a debt collection agency to transact business in New York City.

4. Roach & Murtha conducts business in the State of New York through its principal executive office located at 500 Bi-County Boulevard, Suite 475, Farmingdale, New York 11735.

5. Roach & Murtha is engaged in a business the principal purpose of which is the collection of consumer debts and collection on debts on behalf of other creditors.

Terms

6. For the purposes of this Consent Order, the following terms shall have the meanings set forth herein:

a. "Debt" means any obligation or alleged obligation of a consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family or household purposes, whether or not such obligation has been reduced to judgment, as provided in 15 U.S.C. § 1692a(5).

b. "Debt collector" means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the

collection of debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another, as set forth in 15 U.S.C. § 1692a(6).

c. "Consumer" means any person obligated or allegedly obligated to pay any debt, as provided in 15 U.S.C. § 1692a(3).

d. "Creditor" means any person who offers or extends credit creating a debt or to whom a debt is owed, but the term does not include any person to the extent that he receives an assignment or transfer of a debt in default solely for the purpose of facilitating collection of such debt for another, as set forth in 15 U.S.C. § 1692a(4).

e. "Collection" or "Collecting" or "Collect" means making a representation, expressly or by implication, that a Consumer owes a Debt, or otherwise taking any action against a Consumer in furtherance of obtaining payment for a Debt.

f. "Assigned Judgment" means any default judgment that was assigned or sold by the litigating judgment creditor after entry of the judgment, and for which a subsequent debt buyer, debt collector, or assignee was not the attorney of record at the time the default judgment was entered.

g. "Collection Suit" means any civil action commenced in a court or tribunal by Roach & Murtha against a Consumer for the purpose of collecting on Debt.

Legal Background

7. Congress enacted the FDCPA to eliminate abusive debt collection practices by debt collectors, to ensure that debt collectors who refrain from using abusive debt collection practices are not competitively disadvantaged, and to promote consistent State action to protect

consumers against debt collection abuses. 15 U.S.C. § 1692(e). The statute was a response to "abundant evidence of the use of abusive, deceptive and unfair debt collection practices by many debt collectors" attributed to an inadequacy of existing laws and procedures at the time to protect consumers. *See* Section 1692(a)−(b).

8. Under Financial Services Law § 404, the Superintendent has authority to investigate activities that may constitute violations under § 408. Pursuant to Financial Services Law § 408(a)(1)(B), the Superintendent may levy a civil penalty for any violation of state or federal fair debt collection practices.

9. The FDCPA, 15 U.S.C. § 1692e, prohibits the collection of any debt that is not permitted by law. It also prohibits false or misleading representations or deceptive means in connection with the collection of a debt, 15 U.S.C. § 1692e(10), including the false representation or implication that an individual is an attorney or that any communication is from an attorney. 15 U.S.C. § 1692e(3).[1]

10. Lawsuits against debt buyers and debt collectors often reveal the probability that judgments are invalid and should not be enforced, including countless incidents of "sewer service" or faulty service with respect to older judgments that have been purchased or assigned multiple times by debt buyers.

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[1] 15 U.S.C. § 1692e(3), for example, prohibits debt collectors from issuing communications containing "[t]he false representation or implication that any individual is an attorney or that any communication is from an attorney." New York courts have interpreted this provision to require any document appearing to have been sent from an attorney to a consumer to have undergone "meaningful attorney involvement." *Miller v. Wolpoff & Abramson, L.L.P.*, 321 F.3d 292, 304 (2d Cir. 2003). The attorney's review of the file must be sufficient to enable the attorney to exercise "independent judgment" about the facts of the case and to make independent determinations with respect to whether "the information in the record [is] inconsistent or incomplete, whether [the consumer is or is not] obligated to pay the debt, or whether [the consumer] was the correct debtor" prior to commencing debt collection activity and executing on judgments through income executions or wage garnishments. *Id.* at 305-06.

11. The FDCPA requires that an attorney seeking to collect on an assigned judgment engage in a review of the case file sufficient to determine that the judgment debtor owes the debt and received actual notice of the assignment.[2]

12. In addition to prohibiting false representations or implications that a communication is from an attorney absent meaningful attorney review, the FDCPA prohibits debt collectors from threatening to take legal action that cannot legally be taken, 15 U.S.C. § 1692e(5), and from making false representations with respect to the character, amounts, or legal statuses of debts, 15 U.S.C. § 1692e(2)(A).

13. Moreover, debt collectors may not represent or imply that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person, unless such action is lawful, and the debt collector or creditor intends to take such action. 15 U.S.C. § 1692e(4).

14. In the first written communications with consumers, debt collectors are required to disclose that they are attempting to collect on debts and that any information obtained will be used for that purpose and must continue to disclose to consumers that subsequent communications are from a debt collector. 15 U.S.C. § 1692e(11).

15. Debt collectors are also required to send consumers written notices within five days of the initial communications in connection with the collection of debts, containing specific

[2] Pursuant to New York law, assignment of a debt becomes effective only once the debtor receives actual notice that their debt has been assigned. *Tri City Roofers, Inc. v. Ne. Indus. Park,* 61 N.Y.2d 779, 780 (1984). As a result, any attempt by an assignee to reduce the debt to a judgment, or collect on a previously rendered judgment, is invalid without actual notice to the consumer. *Strobel v. RJM Acquisitions LLC*, No. 13-CV-2467(JS)(AKT), 2014 U.S. Dist. LEXIS 14936, at *10 (E.D.N.Y. Feb. 6, 2014). If a consumer does not receive actual notice that the judgment was assigned, collection on that judgment can violate multiple sections of the FDCPA, including § 1692e(4) (i.e., representing that nonpayment of the debt will result in the seizure, garnishment, or attachment of property or wages, if not lawful), § 1692e(5) (i.e., threatening to take action which cannot be lawfully taken), and § 1692f (i.e., engaging in unfair and unconscionable debt collection practices). *Musah v. Houslanger & Assocs., PLLC*, 962 F. Supp. 2d 636, 637 (S.D.N.Y. 2013); *Moukengeschaie v. Eltman, Eltman & Cooper, P.C.*, No. 14-CV-7539 (MKB), 2016 U.S. Dist. LEXIS 43725, at *34–39 (E.D.N.Y. Mar. 31, 2016).

information about the debts, with statements that the consumers may request verification of the debts and have the right to dispute the debts. 15 U.S.C. § 1692g(a).

16. Debt collectors may not engage in abusive or oppressive conduct or harassment of consumers in connection with the collection of debts. 15 U.S.C. § 1692d.

17. Additionally, a debt collector may not use unfair or unconscionable means to collect or attempt to collect on debts. 15 U.S.C. § 1692f.

Factual Findings

Lack of Meaningful Attorney Review

18. Roach & Murtha failed to conduct meaningful attorney review[3] of consumers' case files prior to executing on default judgments, including by restraining consumers' funds, and issuing property executions or income executions to garnish consumers' wages.

19. Roach & Murtha took legal enforcement action against numerous consumers by freezing their bank accounts and garnishing wages, without ever reviewing documents from or requesting the underlying litigation case files related to the debts, in cases where Roach & Murtha was not involved in procuring the judgments. The documents that were not reviewed by the Firm in these cases included judgments, affidavits of service, summonses and complaints, applications for default judgment, filings subsequent to the entry of the default judgments, and chain of title documents, establishing the judgment creditors' ownership of the debts at the time the underlying actions commenced.

[3] If a judgment was assigned to a third party after entry, an attorney seeking to collect on the judgment "has an independent duty" to engage in a review sufficient to determine that the judgment can lawfully be enforced prior to commencing debt collection activity and executing on the judgment. *Baltazar v. Houslanger & Associates, PLLC et al.*, 2018 WL 3941943, at *8 (E.D.N.Y. Aug. 16, 2018). *See* also *Musah v. Houslanger & Associates, PLLC et al.*, 962 F. Supp. 2d at 641 (S.D.N.Y. 2013).

20. In many cases, Roach & Murtha explicitly noted in its internal case notes and case event summaries that it did not possess service of process records with respect to the consumers at issue and did not obtain copies of the consumers' underlying litigation case files to review, after having already commenced legal action to collect on the debts. Roach & Murtha persisted in garnishing consumers' wages and restraining consumers' bank account funds, without making independent determinations with respect to whether or not the judgments could lawfully be enforced by the Firm.

21. Numerous consumers claimed, for example, that the wage garnishments and bank restraints were the first times they had learned of the underlying lawsuits or default judgments entered against them—claims that Roach & Murtha was unable to disprove without possessing proof of service of process, such as affidavits of service. The Department's review of a sample of case files showed that Roach & Murtha sent at least 286 restraining notices, property executions, or income executions to third parties to collect on debts, despite not possessing or reviewing proof of service.

22. Even in those cases where Roach & Murtha did obtain underlying affidavits of service, the Firm's review repeatedly failed to detect issues with service that would make its collection attempts unlawful. For example, invalid affidavits of service often result from prior instances of "sewer service," a practice whereby a process server fails to lawfully serve a summons and complaint on a consumer and then subsequently files a fraudulent affidavit of service. Although Roach & Murtha is not responsible for verifying the propriety of service beyond what is stated in the affidavits of service, the Firm *is* responsible for reviewing and verifying that the affidavits are not facially deficient with respect to its collection attempts.

23. Certain of the affidavits at issue were flawed, as they did not show the number of attempts made at personal service before substitute service was used or failed to include consumers' apartment numbers and complete addresses. Reviewing the filed affidavits of service in these cases would have revealed that service was facially improper, would have created a strong inference that service was improper, or demonstrated that the process servers engaged in sewer service and that the consumers at issue were never served.

24. Despite facial defects being apparent on the affidavits in multiple cases, including those reflecting irregularities in service, Roach & Murtha proceeded to enforce the judgments by garnishing wages and freezing consumers' assets. In some cases, the underlying judgments were ultimately vacated because the debtors were not served, and Roach & Murtha could not demonstrate that it possessed proof of service.

25. Roach & Murtha's communications to consumers were signed by one of its attorneys, which created the false impression that the attorney had meaningfully reviewed the case file documents, in violation of 15 U.S.C. §1692e(3). In those cases where Roach & Murtha did not have professional involvement with the consumers' files, yet executed on the judgments, the delinquency letters or execution letters sent under the Firm's name were misleading to consumers with respect to attorney review.

26. Consumers were harmed because the restraining notices, property executions, and income executions applied additional, unauthorized bank restraining notice process charges and fees to the debts. When consumers eventually learned of the debts via their missing account funds and wages, they often needed to take time off from work to challenge the judgments in court, and some consumers became subject to negative credit reporting.

27. Moreover, Roach & Murtha harmed consumers by taking legal action to restrain funds and garnish wages, without ever verifying whether the debts at issue were legally enforceable based on complete chains of title of the debts. Debts are routinely bought and sold multiple times by various debt collection agencies and debt buyers. However, these assignments must be accompanied by proper documentation including, but not limited to, bills of sale and assignment documents evidencing the full chains of title of the debts, that would entitle the new creditors to enforce the debts with judicial means.

28. In numerous cases, Roach & Murtha failed to obtain copies of the assignments and complete chains of title prior to garnishing consumers' wages or restraining bank accounts. The purpose of the procedural notice of assignment requirement is to provide the identities of the assigned creditors seeking to collect and alert consumers with respect to the judgments. Without proper notice of assignment, consumers would receive collection requests, phone calls, wage garnishments, and bank account restraints from companies they had never heard of.

29. Despite this risk of harm, Roach & Murtha sent at least 137 restraining notices, property executions, and income executions to third parties to improperly collect on debts and freeze consumers' assets, without ever obtaining the assignments to determine whether there were valid chains of title or validating that the consumers received actual notice. Numerous consumers informed Roach & Murtha that the wage garnishments and restraints were the first times they had learned of the debts.

30. Roach & Murtha's communications to consumers were signed by one of the Firm's attorneys, which created the false impression that the attorney had meaningfully reviewed the underlying documents prior to executing on the judgments, in violation of 15 U.S.C. §1692e(3).

31. Moreover, in at least one instance, Roach & Murtha failed to conduct meaningful attorney review and sent a restraining notice to a consumer's financial institution and restrained bank account funds after the underlying judgment at issue was already vacated, in violation of 15 U.S.C. §1692e(3). The vacated status of the judgment could have been easily discovered with a cursory search of online court records.

False, Deceptive, or Misleading Representations to Collect on Debts or Obtain Information from Consumers

32. Roach & Murtha sometimes engaged in false, deceptive, or misleading representations or means in connection with the collection of debts, in violation of 15 U.S.C. § 1692e(5). Specifically, the Firm threatened to take legal action that could not legally be taken.

33. Roach & Murtha sent a dunning letter and restrained a consumer's funds to enforce a judgment that had previously been vacated. In another case, the Firm issued a restraining notice to a consumer's financial institution, even though collection was barred by the statute of limitations, in violation of 15 U.S.C. § 1692e(5). The consumers at issue were harmed because their funds were restrained, and the Firm did not have the legal right to collect on the debts.

34. Additionally, Roach & Murtha, on behalf of a creditor, sent a summons and complaint to a debtor in a case in which the creditor had previously waived the right to sue through an arbitration clause. The Firm misrepresented the validity of the claim and the contents of the contract to the consumer since the matter was required to be settled solely through arbitration, in violation of 15 U.S.C. § 1692e(5). Moreover, the Firm moved to enter a default judgment based on the false representation that a consumer's time to answer had elapsed, resulting in a default judgment which was subsequently vacated on this basis.

35. In other instances, the Firm incorrectly listed the original creditor's name on judgment demand letters sent to consumers, which created confusion for consumers with respect to the origin of the debts at issue, including for those consumers that lacked knowledge of the current creditors. Such false representations in attempts to collect on debts are violations of 15 U.S.C. § 1692e(10).

Misrepresentations Concerning the Character, Amount, or Legal Statuses of Debts or Nonpayment of Debts

36. Roach & Murtha's collection attempts misrepresented the enforceability of debts in cases where it did not possess valid assignments of judgement to its clients, in violation of 15 U.S.C. § 1692e(2)(A). Without valid assignments, the Firm's clients had no legal right or standing to collect on the judgments.

37. However, in numerous instances, Roach & Murtha's initial judgment demand letters to consumers suggested that the debts had been assigned to their clients as current creditors, creating the false impression that the recipients had legal obligations to pay the Firm's clients. The Firm's judgment demand letters contained false representations with respect to the character and legal statuses of the debts, in violation of 15 U.S.C. § 1692e(2)(A). Moreover, Roach & Murtha's collection efforts without valid assignments suggested to consumers that nonpayment of the debts would result in seizure or garnishment of the consumers' property or wages, in violation of 15 U.S.C. § 1692e(4).

38. Additionally, in multiple instances, Roach & Murtha misrepresented the amount of the debts to consumers by restraining more funds than the amounts authorized by the judgments the Firm collected on, in violation of 15 U.S.C. § 1692e(2)(A).

Failure to Provide Notice of the Debts to Consumers

39. Prior to executing on judgments, debt collecting firms are required to issue dunning letters to consumers with required FDCPA statutory disclosures. The disclosures are meant to inform consumers of their rights to dispute the debts, provide the amounts of the debts, and disclose current creditor and debt collector detail, along with other information vital to protecting the rights of the debtors. A debt collector is required to either validate actual receipt of the dunning letter or establish a regular mailing practice.[4]

40. Roach & Murtha did not meet the notice requirements of 15 U.S.C. § 1692e(11) and 1692g(a) using either method. Many consumers, for example, represented that they did not receive notice of the debts, until after their bank accounts were frozen or wages garnished. In addition, while Roach & Murtha has represented to DFS that it sends dunning letters in all cases, the Department's review of the Firm's records revealed inconsistencies in recordkeeping, with many case files lacking a notation that the letters to consumers were ever mailed. Therefore, Roach & Murtha is unable to establish actual or constructive notice, in violation of 15 U.S.C. § 1692e(11) and 1692g(A).

41. In other instances, the Firm froze consumers' assets and issued income and property executions prior to mailing initial FDCPA statutory disclosures to consumers. Consumers had no opportunity to contest the debts before facing coercive collections, in violation of 15 U.S.C. § 1692e(11).

[4] *Baltazar v. Houslanger & Assocs., PLLC*, 2018 U.S. Dist. LEXIS 139375, at *23.

Consumer Harassment

42. Roach & Murtha allowed an employee with a history of harassment toward consumers to continue working at the Firm for months with repeated notice of the employee's misconduct and after the employee had harassed consumers in connection with the collection of debt on several occasions. The employee was routinely rude to consumers on calls, making unprompted, disparaging comments. Roach & Murtha provided the employee with two final warnings, each listing termination as the result of the next infraction yet did not terminate the employee until months after further instances of consumer harassment occurred.

43. Additionally, Roach & Murtha received a cease & desist letter from a debtor after the Firm's representatives repeatedly called and inundated the consumer with communications to the point of harassment, with respect to a terminated agreement. The underlying judgment was ultimately vacated. Roach & Murtha violated 15 U.S.C. § 1692d, as its employees engaged in harassing collection tactics with respect to the collection of debt.

Unfair or Unconscionable Practices

44. On numerous occasions, Roach & Murtha failed to provide consumers with disclosures with respect to their rights to dispute or seek validation of debts prior to garnishing wages or freezing bank accounts. The Firm's restraint of consumers' funds without providing required FDCPA statutory disclosures or informing consumers of their rights to dispute constitutes an unfair and unconscionable debt collection practice, in violation of 15 U.S.C. § 1692f.

45. The Firm garnished consumers' wages and restrained bank accounts' prior to having fully executed assignments of judgment in numerous instances. In one case, Roach &

Murtha restrained approximately $13,000 of funds from a consumer's bank account prior to executing an assignment of judgment or providing required disclosures to the consumer, making the Firm's claim to the debt invalid, in violation of 15 U.S.C. § 1692f. Roach & Murtha informed the consumer that he had to make payment in full before he could have the remainder of his funds released.

46. In another case, Roach & Murtha did not appear to cease collection activity after receiving a dispute from the consumer. Additionally, a portion of the debt attempted to be collected was for a "finance" fee not authorized by the underlying contract. Even after the consumer paid the original creditor the full debt minus the finance fee and provided proof that the wrong person was served, Roach & Murtha did not take any action to set aside the judgment, forcing the consumer to go to court, which ended with a vacated judgment and an award of sanctions against the Firm for frivolous litigation.

47. Additionally, Roach & Murtha restrained more than the judgment amounts and misrepresented the amounts due in some cases, in violation of 15 U.S.C. § 1692f.

Violations of Law and Regulations

48. Based on the foregoing, the Department finds that Roach & Murtha violated the FDCPA, 15 U.S.C. § 1692 *et seq*.

NOW THEREFORE, to resolve this matter without further proceedings, the Department and the Firm stipulate and agree to the following terms and conditions:

SETTLEMENT PROVISIONS

Monetary Penalty

49. The Firm shall pay a civil monetary penalty pursuant to Financial Services Law § 408(a)(1)(B) to the Department in the amount of forty thousand dollars ($40,000). No later than ten (10) days after the Effective Date of this Consent Order, the Firm shall pay its first penalty installment payment of five thousand dollars ($5,000) to the Department. The Firm shall make an additional payment of five thousand dollars ($5,000) no later than 90 days of the Effective Date of this Consent Order and shall make an additional payment of five thousand dollars ($5,000) to DFS each 90 days thereafter until the total penalty amount is paid in full.

50. Without altering any of the deadlines set forth in Paragraph 49, the Firm may pay off the remaining balance in full within 24 months of the Effective Date of this Consent Order as a lump sum payment. The payments shall be in the form of wire transfers in accordance with instructions provided by the Department.

51. The Firm shall not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil monetary penalty paid pursuant to this Consent Order.

52. The Firm shall neither seek nor accept, directly or indirectly, reimbursement or indemnification with respect to payment of the penalty amount, including but not limited to, payment made pursuant to any insurance policy. Notwithstanding the previous sentence, the Firm may seek reimbursement in part from a Firm partner or former partner employed by the Firm during the Relevant Period.

Injunctive Relief

53. Roach & Murtha shall comply with the FDPCA, the Department's debt collection regulation, 23 NYCRR 1, and all applicable provisions of the Consumer Credit Fairness Act.

Remediation

54. Roach & Murtha shall ensure that it has sufficient documentation and information to confirm that its client may collect against a Consumer before it files a Collection Suit or otherwise Collects against that Consumer with regards to the Debt.

55. Before Collecting on any Debt, Roach & Murtha shall:

a. Confirm that the Firm has copies of and has meaningfully reviewed the Consumer's underlying case file, including, but not limited to, the written agreement or contract obligating the debtor to pay the Creditor the amount currently sought, the signed application that created the Debt, and underlying charge off statement with respect to the Debt at issue;

b. Review the date(s) of default to confirm the Debt is not time-barred due to an expired statute of limitations; and

c. Ensure that the original Creditor or subsequent assignees have not been involved in any class action lawsuits or other settlements that would prevent the Collection of the Debt.

If no signed contract or application exists, Roach & Murtha shall review copies of documents provided to the alleged debtor while the Consumer's account was active, demonstrating that the Debt was incurred by the Consumer at issue.

56. Before Collecting on any Debt where Roach & Murtha was not the attorney of record at the time the default judgment was obtained, the Firm shall:

a. Confirm that it has obtained copies of and reviewed:

   i. A certified copy of the judgment to be enforced;

   ii. A valid affidavit of service showing that the Consumer received notice of the judgment entered against them;

   iii. Documents in the Consumer's underlying litigation case file, including but not limited to, summonses and complaints, applications for default judgment, and filings subsequent to the entry of the default judgment; and

   iv. Valid assignments of judgment and bills of sale establishing complete chain of title from the party that obtained the judgment to any subsequent Creditor represented by Roach & Murtha in connection with the Debt, including dates of each assignment, sale, and transfer.

b. Review all assignments of the Debt to ensure they are not dated after the assignee has ceased to do business;

c. Validate that the current Creditor is licensed to do business in New York State; and

d. Otherwise validate that the current Creditor has legal standing to collect on the Debt.

57. Before taking any Collection action on an Assigned Judgment that would impair a Consumer's property, such as issuing a wage execution or restraining notice, Roach & Murtha shall confirm that it has a copy of a valid assignment of judgment, which transfers the right to collect on the judgment to any Creditor represented by Roach & Murtha in connection with the

Debt. Roach & Murtha will validate that Consumers have received actual notice that the judgments were validly assigned to Roach & Murtha's clients.

58. Roach & Murtha shall mail judgment demand or dunning letters to any Consumers it seeks to Collect from, prior to engaging in any other form of Collection activity involving those Consumers. The Firm shall retain copies of the dunning letters and records of mailing in its files relating to each Consumer. With respect to Assigned Judgments, the dunning letters will accurately name the current Creditors as assignees of the judgments and list original Creditor names, as supported by the underlying valid assignments of judgment.

59. Roach & Murtha shall maintain records with respect to whether the Consumers received the dunning letters or notices of assignment prior to executing on the judgments. For any dunning letters returned as undeliverable after mailing, Roach & Murtha shall conduct a reasonable search for a current address. Should the search show a more current address, the Firm shall resend the dunning letter to the correct address prior to executing on the judgment. Roach & Murtha shall establish a documented standard mailing practice with respect to the mailing of dunning letters to Consumers prior to the commencement of Collection activity.

60. Roach & Murtha shall revise the template it uses for dunning letters with respect to Assigned Judgments by:

a. Clearly identifying the Firm's client as the "Current Creditor"; and

b. Including a statement that the right to enforce the judgment has been assigned to the Firm's client.

61. Roach & Murtha shall submit revised copies of the judgment demand letter templates to the Department no later than 30 days following execution of this Consent Order for review and non-objection. The Firm will provide the Department with a narrative description of

all changes made to the template or form collection letters that Roach & Murtha will use in its Collection efforts.

62. Roach & Murtha shall provide chain of title documentation verifying that its clients are legally authorized to enforce the judgments, to all Consumers that request verification of the debts either verbally or in writing.

63. Roach & Murtha shall update its written policies and procedures to comply with each and every provision of this Consent Order. The updated policies and procedures shall be presented to the Department no later than 30 days of the Effective date of this Consent Order and shall be subject to the review of the Department. The Firm will submit redlines to DFS of any changes made to policies and procedures pursuant to the Consent Order.

64. Roach & Murtha shall implement a training program sufficient to prepare all Firm staff for compliance with the terms of this Consent Order and all applicable debt collection laws and regulations. The Firm shall amend its scripts, talking points, question and answer documents, job aids, or other Firm documents used to train agents and/or employees engaged in Collection calls with Consumers and all phone message or call scripts used by the Firm to comply with the terms of this Consent Order. The Firm's revised training program will set forth a detailed plan for implementing the meaningful attorney review remediation requirements set forth herein, including a process for obtaining underlying case file documents for those matters where the Firm was not involved in the underlying litigation yielding the judgments. The Firm will implement a plan for certifying training attendance of the Firm's officers, agents, and employees.

65. Upon 180 days of the Effective Date of the Consent Order, Roach & Murtha shall submit to the Department for review written summaries describing each instance since the Effective Date where a Consumer has filed an Order to Show Cause against the Firm, in cases

where Roach & Murtha represents a Creditor. This summary must include for each Order to Show Cause, at a minimum:

a. The name of the filing party;

b. The case caption and court where the Order to Show Cause was filed;

c. The date on which the Order to Show Cause was filed;

d. The date(s) of any court proceedings conducted with respect to the Order to Show Cause;

e. A summary of the allegations contained in the Order to Show Cause;

f. A summary of actions taken by Roach & Murtha to respond to the Order to Show Cause;

g. If Roach & Murtha opposes or intends to oppose the Order to Show Cause, the basis for opposition; and

h. The current status of the Order to Show Cause.

66. If any of the above information regarding a particular Order to Show Cause is not available at the time of reporting, updated information about that Order to Show Cause shall be subsequently provided to DFS.

67. Roach & Murtha shall preserve and maintain for three years all records and documents pertaining to the topics covered in this Consent Order, including but not limited to, any reports or remediation documents produced to DFS to demonstrate the Firm's compliance and any other consumer case file documentation that Roach & Murtha reviewed, in accordance with its meaningful attorney review obligations pursuant to the terms of the Consent Order. The Firm shall ensure that it has retained all documentation and information sufficient to show that

its clients may collect against Consumers prior to filing collection suits or otherwise collecting on the debts.

Full and Complete Cooperation

68. The Firm commits and agrees that it will fully cooperate with the Department regarding all terms of this Consent Order.

Further Action by the Department

69. No further action will be taken by the Department against the Firm or its successors for the conduct set forth in this Consent Order, or in connection with the remediation set forth in this Consent Order, provided that the Firm fully complies with the terms of the Consent Order.

70. Notwithstanding any other provision in this Consent Order, however, the Department may undertake additional action against the Firm for conduct or transactions that were not disclosed in written materials submitted to the Department in connection with this matter.

Waiver of Rights

71. The Firm submits to the authority of the Superintendent to effectuate this Consent Order.

72. The parties understand and agree that no provision of this Consent Order is subject to review in any court, tribunal, or agency outside of the Department.

Parties Bound by the Consent Order

73. This Consent Order is binding on the Department and the Firm, as well as any successors and assigns. This Consent Order does not bind any federal or other state agency or any law enforcement authority.

Breach of Consent Order

74. In the event that the Department believes the Firm to be in material breach of the Consent Order, the Department will provide written notice to the Firm of the breach, and the Firm must, within ten (10) days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

75. The Firm understands and agrees that its failure to make the required showing within the designated time period set forth in Paragraph 74 shall be presumptive evidence of the Firm's breach. Upon a finding that a breach of this Consent Order has occurred, the Department has all the remedies available to it under the Financial Services Law, and any other applicable laws, and may use any evidence available to the Department in any ensuing hearings, notices, or orders.

Notices

76. All notices or communications regarding this Consent Order shall be sent to:

For the Department:

Laura Sarli
Senior Assistant Deputy Superintendent
Consumer Protection and Financial Enforcement
New York Department of Financial Services
One State Street
New York, New York 10004

Joseph Mineo
Assistant Deputy Superintendent
Consumer Protection and Financial Enforcement
New York Department of Financial Services
One Commerce Plaza
Albany, New York 12210

Daniel Schiano
Assistant Deputy Superintendent
Consumer Protection and Financial Enforcement
New York Department of Financial Services
One State Street
New York, New York 10004

For Roach & Murtha:

Robert L. Arleo
Attorney
Robert L. Arleo Esq. P.C.
1345 Avenue of the Americas, 2nd Fl.
New York, New York 10105

Nicholas Balboni
The Balboni Law Firm, PLLC
82A Hillside Avenue
Williston Park, NY 11596

Dennis Biancanello
Law Office of Dennis P. Biancanello P.C.
64 Hilton Avenue
Hempstead, NY 11550

Miscellaneous

77. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

78. This Consent Order may not be altered, modified, or changed unless in writing and signed by the parties hereto.

79. This Consent Order constitutes the entire agreement between the Department and the Firm and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Consent Order.

80. The Department has agreed to the terms of this Consent Order based on, among other things, representation made to the Department by the Firm. To the extent representations made by the Firm are later found to be materially incomplete or inaccurate, this Consent Order is voidable by the Department in its sole discretion.

81. Each provision of this Consent Order shall remain effective and enforceable against the Firm, its successors, and assigns, until stayed, modified, suspended, or terminated by the Department.

82. In the event that one or more provisions contained in this Consent Order shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Consent Order.

83. No promise, assurance, representation, or understanding other than those contained in this Consent Order has been made to induce any party to agree to the provisions of this Consent Order.

84. Nothing in this Consent Order shall be construed to prevent any consumer or any other third party from pursuing any right or remedy at law.

85. Except with regard to the enforcement of this Consent Order, the Firm's consent to the provisions of this Consent Order is not intended to bar, estop, waive, preclude, or otherwise prevent the Firm from taking any positions of law or fact or raising any defenses in any action taken by any federal or state agency or department, or in any civil action brought by any party against the Firm.

86. This Consent Order may be executed in one or more counterparts and shall become effective when such counterparts have been signed by each of the parties hereto and the

Consent Order is So Ordered by the Superintendent of Financial Services or her designee (the "Effective Date").

IN WITNESS WHEREOF, the parties have caused this Consent Order to be signed on the dates set forth below.

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

By: /s/ Laura C. Sarli
LAURA C. SARLI
Senior Assistant Deputy Superintendent for Consumer Protection and Financial Enforcement

June 23, 2025

ROACH & MURTHA, P.C.

By: /s/ Peter T. Roach
PETER T. ROACH
Partner

June 18, 2025

By: /s/ Christopher B. Mulvihill
CHRISTOPHER B. MULVIHILL
Deputy Superintendent for Consumer Protection and Financial Enforcement

June 23, 2025

By: /s/ R. Gabriel D. O'Malley
R. GABRIEL D. O'MALLEY
Executive Deputy Superintendent for Consumer Protection and Financial Enforcement

June 23, 2025

THE FOREGOING IS HEREBY APPROVED. IT IS SO ORDERED.

/s/ Adrienne A. Harris
ADRIENNE A. HARRIS
Superintendent of Financial Services

June 26, 2025