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October 9, 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 – R-411001

Ladies and Gentlemen:

Global Client Solutions, LLC (“Global”) was formed in 2003 and has extensive experience as a service provider to financial institutions and consumers enrolled in debt settlement programs. Global is an independent company that is not owned or controlled by debt settlement companies.

Global is in the business of providing account management and transaction processing services relating to special purpose, FDIC-insured bank accounts that are used by consumers who are clients of debt settlement companies. Consumers use these accounts to accumulate and disburse funds over time in connection with the settlement and repayment of their debts. Use of the Global system provides these consumers with a routine, relatively automatic and disciplined way to do this, thereby increasing the likelihood of them successfully resolving their debts.

As you know, debt settlement is a debt resolution process for consumers who cannot repay their credit card and other unsecured debts without significant principal relief. Debt settlement is an alternative to bankruptcy for those consumers who need more help than is afforded by conventional credit counseling services that typically only provide interest and late/over-limit fee relief. These consumers usually have experienced some type of hardship (e.g., a medical event; divorce; loss of job) that has created their financial problem, but they are generally employed and have the ability to regularly set aside funds on a monthly basis for resolving their debts.

Global's services include providing account management, payment processing and customer service using a custom-designed system comprised of proprietary software, programs and processes. In developing the Global system, Global studied the debt settlement industry and the various challenges facing consumers who are trying to escape overwhelming debt without resorting to personal bankruptcy. In doing so, Global isolated and focused on the financial management function of the debt settlement process that is otherwise (i) problematic for debt settlement companies from a regulatory viewpoint and (ii) an administrative burden to all parties. Accordingly, Global has developed an administratively-effective system that completely removes the debt settlement company's control over and access to the

consumer's funds. Global is not involved in negotiations with the consumer's creditors, so there is a total separation of the financial management and debt settlement functions. Global operates totally independent from the debt settlement companies as a service provider to the financial institutions where the consumers hold their funds.

The consumer bank accounts managed by the Global system are owned by and under the exclusive control of the consumers at all times. Consumers may, at their discretion, modify or terminate transfers to their accounts, expressly authorize all disbursements from their accounts, withdraw funds from their accounts and/or close their accounts at any time. All consumer funds are held in custodial accounts at federally-insured financial institutions and, accordingly, each individual account is insured by the Federal Depository Insurance Corporation.

Consumers always have the option of dealing with the financial aspects of their debt settlement programs without using the Global system. However, use of our system provides a superior financial management solution for the consumers who enroll in debt settlement plans, for the debt settlement companies that assist the consumers in implementing such plans and for the state regulators who are charged with overseeing the debt settlement industry.

Summarizing, the use of the Global system in connection with a consumer's debt resolution plan affords protection and integrity that is at least equal, and in many cases superior, to any other financial management arrangement currently used within the debt settlement industry. Moreover, the use of the Global services improves the likelihood of a successful outcome for the consumer, particularly when compared to accounts that are solely administered by the consumers themselves with no inherent structure or discipline associated with their use.

With consumer debt at an all time high, Global believes that a properly-regulated and professionally-managed debt settlement industry provides a valuable service to consumers who have no other viable debt resolution alternative except bankruptcy. We strongly disagree with any assertion by the FTC or critics of the industry that debt settlement companies commonly take consumers' money for services that the companies have no intention of providing and in fact do not provide. We believe that the following verifiable facts based on our experience disprove any such assertion:

- Currently, there are approximately 250,000 consumers, representing a large cross section of the debt settlement industry, who utilize the Global system to assist them in managing their finances in connection with their debt settlement programs.
- Currently, these consumers have approximately \$200,000,000 on deposit that they have set aside in FDIC-insured bank accounts expressly for the purpose of resolving their debts.
- Our most recent analysis shows that the consumers who utilize the Global system remain on the system (*i.e.*, remain in their debt settlement programs) for an average of 22 months. We believe this level of persistency and completion substantially exceeds that of debt management (*i.e.*, credit counseling),

particularly given the significantly shorter length of time needed to complete most debt settlement plans vs. debt management plans.

- During the first nine months of 2009, Global processed approximately 375,000 settlement payments in the aggregate amount of approximately \$265,000,000 to the creditors of the consumers who utilize the Global system.
- Currently, based on the month of September 2009, the annualized number of settlement payments being processed on the Global system is approximately 575,000 in the aggregate annual amount of approximately \$400,000,000.

It may also be noteworthy that Global has set up a dedicated "Consumer Advocacy Group" within its customer service operation expressly for the purpose of assisting consumers with the resolution of complaints relating to their relationship with the debt settlement companies that may come to Global's attention from time to time. During the past twelve months, approximately 200 complaints have come to our attention, most of which have been resolved. Based on the number of consumers on the Global system, this represents less than 1/10th of 1% who have expressed complaints to us.

We respectfully submit that the activity reflected on the Global system demonstrates that consumers who utilize our system (or a comparable system), combined with the services of a competent debt settlement company, are achieving meaningful and demonstrable results in resolving their debts. Moreover, the methodical and disciplined solution to managing their funds that the Global system affords these consumers substantially increases the likelihood of achieving a meaningful reduction in their debts.

As the Commission's review of the debt settlement industry continues, Global would be pleased to expound upon the matters discussed above.

Very sincerely,


Michael Hendrix
Chief Executive Officer