

## REASONS FOR SETTLEMENT

This statement accompanies the Consent Decree executed by defendant Allied Interstate, Inc. ("Allied") in settlement of an action brought to recover penalties and equitable relief from defendants for engaging in acts or practices in violation of the Fair Debt Collection Practices Act ("FDCPA"), 15 U.S.C. §§ 1692-1692p, and §§ 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act, 15 U.S.C. §§ 5(m)(1)(A), 13(b), and 16(a), and imposing a civil penalty of one thousand dollars (\$1,750,000) and imposing strong injunctive relief.

Pursuant to Section 5(m)(3) of the FTC Act, as amended, 15 U.S.C. § 45(m)(3), the Commission hereby sets forth its reasons for settlement by entry of a Consent Decree and injunction:

On the basis of the allegations contained in the attached Complaint, the Commission believes that the payment of a \$1,750,000 civil penalty by Allied constitutes an appropriate amount on which to base settlement. The civil penalty amount should ensure compliance with the law by Allied and others who might otherwise violate the FDCPA and the FTC Act. Further, the provisions enjoining Allied from violating the FDCPA and the FTC Act constitute effective deterrence.

Attached Consent Decree with Allied is justified and warranted within the public interest.