

\$50, together with a bond as in the case of an original application. A separate application shall be made for each office.

Sec. 3. Any person lawfully engaged in debt management in the District of Columbia of at least two years immediately prior to the effective date of this Act shall be entitled to receive a license within the provisions of this Act by filing an application, furnishing a bond, and paying the annual fee as herein specified within ninety days after the effective date of this Act.

Sec. 4. (a) The Board of Commissioners may deny, revoke, or suspend any license issued or applied for under this Act for the following causes:

- (1) Conviction of a felony or a misdemeanor involving mortal turpitude.
- (2) For violating any of the provisions of this Act.
- (3) For fraud or deceit in procuring the issuance of a license under this Act.

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- (4) For indulging in a continuous course of unfair conduct.
- (5) For insolvency, filing in bankruptcy, receivership, or assigning for the benefit of creditors by any licensee or applicant for a license under this Act.

(b) The denial, revocation, or suspension shall only be made upon specific charges in writing, under oath, filed with the Board of Commissioners, whereupon a hearing shall be had as to the reasons for any denial, revocation, or suspension and a certified copy of the charges shall be served on the licensee or applicant for license not less than ten days prior to the hearing.

(c) No license shall be transferable or assignable.

Sec. 5. Each licensee shall make a written contract between himself and a debtor and immediately furnish the debtor with a true copy of the contract. The contract shall set forth the complete list of debtor's obligations to be adjusted, a complete list of the creditors holding such obligations, the total charges agreed upon for the services of the licensee, and the beginning and expiration date of the contract. No contract shall extend for a period longer than twenty-four months.

Sec. 6. Each licensee shall maintain a separate bank account for the benefit of debtors in which all payments received from the debtor for the benefit of creditors shall be deposited and in which all payments shall remain until a remittance is made to either the debtor or the creditor. Every licensee shall keep, and use in his business, books, accounts, and records which will enable the Board of Commissioners to determine whether such licensee is complying with the provisions of this Act and with the rules and regulations of the Board of Commissioners. Every licensee shall preserve such books, accounts, and records for at least seven years after making the final entry on any transaction recorded therein.

SEC. 7. (a) The Board of Commissioners may examine upon five-day notice given the licensee the condition and affairs of said licensee. In connection with any examination, the Board of Commissioners may examine on oath any licensee, and any director, officer, employee, customer, creditor, or stockholder of a licensee, concerning the affairs and business of the licensee. The Board of Commissioners shall ascertain whether the licensee transacts its business in the manner prescribed by law and the rules and regulations issued thereunder. The licensee shall pay the cost of the examination as determined by the Board of Commissioners, which fee shall not exceed the sum of \$50 per day of examination; said fee shall be deposited in the Treasury of the United States to the credit of the District of Columbia. Failure to pay the examination fee within thirty days of receipt of demand from the Board of Commissioners shall automatically suspend the license until the fee is paid.

(b) In the investigation of alleged violations of this Act, the Board of Commissioners may compel the attendance of any person or the production of any books, accounts, records, and files used therein; and may examine under oath all persons in attendance pursuant thereto.

SEC. 8. (a) The fee of the licensee shall be agreed upon in advance and stated in the contract and provision for settlement in case of cancellation or prepayment shall be clearly stated in the contract. The fee of the licensee shall not exceed 12 per centum of the total indebtedness of the debtor. The fee of the licensee shall be prorated monthly over the life of the contract. In addition to the prorated amount, the licensee shall be allowed to deduct from the first month payments a reasonable amount for filing fees, said amount not to exceed \$25. In the event of total payment of the contract before the term of the contract has expired, the licensee shall be entitled to an amount equal to not more than 25 per centum of the remaining fee.

(b) Each licensee shall—

- (1) Keep complete and adequate records during the term of the contract and for a period of seven years from the date of cancellation or completion