

As a Nationwide Debt Management Company, Rescue One Financial is providing Debt Reduction and Consolidation, Debt Management Plans, Business and Consumer Loan Assistance to Consumers and Business Owners Overburdened with Debt

**Business Services
Debt Management & Settlement**

Rescue One Financial
877-399-7684
www.rescueonefinancial.com



**Bradley Smith
CEO**

BIO: Bradley Smith is the CEO and a Co-Founder of Rescue One Financial, headquartered in Irvine, CA. Rescue One Financial helps individuals with unsecured debt during troubling times. Smith has been quoted in a number of different financial publications and his previous company was ranked #7 in the Inc 500 (<http://www.inc.com/magazine/20100901/americas-fastest-growing-debt-collector.html>). Smith started his 18-year financial services career on Wall Street where he worked with the largest retail advisory group at Merrill Lynch. His team at Merrill Lynch was

responsible for the largest Rule 144 trade in history selling more than 5 million shares of Walt Disney and managed over \$2 billion in concentrated stock positions. Smith later helped pioneer the restricted stock diversification business at Morgan Stanley and still holds all of his licenses today (Series 7, 31, 63, and 65). Brad and his wife Carrie have two children and enjoy living in Southern California. Brad holds a BA in Economics from the University of Southern California.

About Rescue One Financial:

Rescue One Financial provides debt reduction and consolidation, debt management plans and consumer loan assistance to consumers overburdened with debt.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Smith, what is Rescue One?

Mr. Smith: Rescue One is a nationwide debt management company. We help people get out of debt in a few different ways. We do business in roughly thirty-one states. We have about forty-five financial consultants on staff and we enroll about a thousand new clients each month. Our programs are typically programs that help people avoid bankruptcy, or in some cases may help a business owner stay in business. We have a few different programs and that is really the bulk of our business.

CEOCFO: How do people find Rescue One?

Mr. Smith: They can find us online through search engine marketing or in browsers like Google, those types of tools. The vast majority of our marketing is actually done via direct mail; we are looking to find individuals that may be in a position where they need some type of help. Typically, we present them with options and then they, along with our financial consultants, make a determination which path is right for them.

CEOCFO: Is there a particular segment of people in debt that are better candidates for you?

Mr. Smith: Not really; with this recession we have gone through, it just seems that there are a large number of people in debt. We do a great deal of measuring of metrics on our end to determine who our client is, if our client is a middle-aged male from the South or if they are a single mother living in the northeast. I will tell you that there is not a clear trend really. Unfortunately, everyone seems to be experiencing a great deal of financial pain.

CEOCFO: Your industry does not always have a positive reputation; why is Rescue One a company to be trusted?

Mr. Smith: I think, historically, the reputation has had a black eye because of how business was done throughout the industry. In October of 2010, the FCC stepped in and changed regulations. What they said is, we do not have a problem with your business, but we think you will see a greater amount of success if you did not earn any of your fees on the frontend and you were more of a

performance model. This means we do all the work on our end, we do not get paid until we actually either see a settlement, obtain a loan of some type or reduce interest rates in our debt management program. It has become somewhat of a blessing in disguise. It has become a much more consumer-friendly program. If you get four to six months into this program and you find that it is not for you, we give you back every single dollar that you paid into the program. It has put more of the responsibility on our end but as far as I am concerned, it produces a better overall customer experience.

CEOCFO: How does the process work when someone approaches you?

Mr. Smith: When they call in, we offer roughly a thirty to forty-five minute consultation. We take a look at their credit to understand exactly how leveraged they are. In some cases, we need to see if they may need a debt consolidation loan. I would say that 20% of the people we talk to are not looking at an alternative to bankruptcy and they don't want anything that would have a negative impact on their credit. We try to be a one-stop-shop for people that are experiencing some type of financial hardship.

CEOCFO: Are there many people who do not realize they could do a debt consolidation loan without having to engage a third party or do you find that people are just so overwhelmed they cannot think clearly at that moment?

Mr. Smith: I think that by the time people have found us, they have already tried to go to their local bank or credit union without much success. I say that because as it stands now, the banks are only loaning money to people that really do not need it. The knee-jerk reaction of the bank at this point is they have just stopped lending altogether, they do not want to take any type of risk at all because of what has gone on the last two or three years. The big banks are not willing to jump back into that market.

CEOCFO: Do you have banks that you work with in terms of debt consolidation lending? Does it vary state

by state? How does it work on your end?

Mr. Smith: It does vary state by state. There are a few community banks and credit unions, which are a bit more willing to take that risk. I think much of it stems from the fact that they were not involved in the whole mortgage debacle in the first place. I think they still have money to lend to people that can qualify.

CEOCFO: How do you find representatives who have both program knowledge and people skills, so important in your arena?

Mr. Smith: We do a lot of internal training on our end. We are in Southern California and in this general area, there are many former mortgage brokers or loan officers that were displaced when that market dried up. The vast majority of people and resumes that I see coming across my desk are for people that have quite a bit of experience in the mortgage business, they are familiar with credit, they have looked at a thousand credit reports and understand credit utilization. I think that typically helps a great deal. About ten or fifteen percent of our sales staff have experience with a program similar to this or have actually done this on their own. They understand that though it may be difficult for the client, it is not forever, and if done properly, it definitely works.

CEOCFO: Would you give us an example of something a bit creative that you might be able to put together where others could not?

Mr. Smith: On the loan side, we have a program for business owners that is not FICO based. In many cases, you may have someone who owns a business that has tried to keep that business together and continue to pay their employees but have taken on a great deal of debt personally and it may have done some harm to their personal credit. We do not look so much at that; we look more at their income and what the last two years of business has looked like for them. We are definitely willing to give loans for those business owners who may have taken a bit of a hit on their personal credit. On the debt settlement side of

things, unlike many other companies, we really do a firm underwriting of each client and we have a list of creditors that we deem to be aggressive. What that creates is a situation where clients need to set aside more money and they need to be more aggressive with the program to get those creditors paid or keep them in line to be paid a whole lot faster. The reason we are doing that is we are trying to avoid any type of litigation or losses down the line.

CEOCFO: Why should people that need help with debt choose Rescue One as opposed to another company?

Mr. Smith: I think we do a good job of understanding the client's situation and making a determination of what is in their best interest. I know many

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other companies who really try to push consumers into a type of product that may make them (the company) more money. While all my people work on commission, they understand that at the end of the day, we are here to help people. Someone may not need our service now or they may need a little bit of a Band Aid now. If treated well, they will come back to us or possibly send us referrals. We try to do what is in the client's best interest across the board, regardless of commissions and things of that nature.

CEOCFO: Do you find word of mouth is meaningful for you?

Mr. Smith: On the loan side I would say yes, on anything else, not so much. While the client may have had a great experience with us, (we get emails from people who are so thankful that they can start over or that they

have saved their marriage, things of that nature. For the most part, word of mouth has not been a great source of business for us. People are not running out at cocktail parties and saying "Hey I am in so much debt, I used this company and they were the greatest." I think it is something that still carries a great deal of shame, so we do not get many referrals that way. For the people that do offer referrals to us, we definitely offer a finders fee. We feel that recommendations to friends and family members are a good way to generate additional business, but only if the client is comfortable with it.

CEO CFO: As Rescue One was recognized on the INC 5000, business must be good. Where do you see the most growth and what are your plans to encourage growth?

Mr. Smith: Yes, things are very good as far as the business is concerned. On the debt settlement side, as long

as things continue to be somewhat stagnant due to the economy, and banks are not as willing to lend money, we think things will remain stagnant for at least two to three years. One issue that we continue to look at and forecast in a five to seven year time frame, is that many of our clients right now are able to continue to make their minimum monthly payment. We don't expect that to continue. The minimum payment in most cases is based upon the Prime Rate, which is historically very low. When those rates start to go up, which there is no question they will, I think that we are going to see a big portion of consumers that are going to be pinched once again. So in the near-term, I think debt settlement is going to be good, in the longer term I would think the business could potentially do even better. On the loan side of things, I think that business will just continue to increase. It would be nice as banks

start to lend again that we will have more relationships and our guidelines will be a little bit broader so that we can help many more people. As it stands now on the individual loan side, it is still very difficult to qualify.

CEO CFO: Why should the business and investment community pay attention to Rescue One?

Mr. Smith: We are in a great place where the profitability and the margins in a business like this are very good and at the same time we are helping people. Most creditors view us as an extended arm of a collection agency and they like dealing with us as our mutual clients are putting away money on a monthly basis. We are all rowing in the same direction or trying to accomplish the same results, we have just taken a different approach.



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