

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION
BEFORE THE DIRECTOR OF THE
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

<p>In the Matter of:</p> <p>Nichole C. Carter,</p> <p>Carter Resources, LLC</p> <p>d/b/a Carter's Debt Management,</p> <p>Respondents.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>DC-07-0041</p> <p>FINAL ORDER TO CEASE AND DESIST,</p> <p>ORDER ASSESSING CIVIL PENALTIES,</p> <p>ENTERED BY DEFAULT</p>
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On October 17, 2007, the Director of the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities ("the Director"), acting by the authority of the Oregon laws governing debt consolidation agencies, Chapter 697 of the Oregon Revised Statutes, ORS 697.602 et seq. and OAR Chapter 441, Division 910, issued Order to Cease and Desist, Order Assessing Civil Penalties, and Notice of Right to Hearing ("the Notice Order") against Nichole C. Carter and Carter Resources, LLC d/b/a Carter's Debt Management ("the Respondents").

On October 18, 2007, the Respondents were duly served with a true copy of the Notice Order by regular and certified U.S. mail, postage prepaid, addressed to the Respondents' address of record at P.O. Box 10961, Eugene, Oregon 97440. The copy of the Notice Order sent by certified mail was returned to the Division of Finance and Corporate Securities ("DFCS") as unclaimed. The copy of the Notice Order sent by regular U.S. mail was not returned to DFCS.

The Respondents have not requested a hearing in this matter and time to do so has expired.

NOW THEREFORE, after consideration of the investigative report and accompanying documents of Gail Smith as the evidentiary record in this case, the Director issues the following Findings of Fact, Conclusions of Law and Final Order:

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 Labor and Industries Building
 350 Winter Street NE, Suite 410
 Salem, OR 97301-5888
 Telephone: (503) 378-4387



1 **FINDINGS OF FACT**

2 The Director **FINDS** that:

3 1. Carter Resources, LLC is an Oregon limited liability company that became
4 registered with the Oregon Secretary of State, Corporation Division, on or about August
5 22, 2005. At times material to this order, the principal place of business for Carter
6 Resources, LLC was 19509 Meadowbrook Drive, Bend, Oregon, 97702.

7 2. Carter’s Debt Management became registered as an assumed business
8 name of Carter Resources, LLC with the Oregon Secretary of State, Corporation
9 Division, on or about April 30, 2004. At times material to this order, the principal place
10 of business for Carter’s Debt Management was 3485 Regent Ave., Eugene, Oregon,
11 97401.

12 3. At times material to this order, Nichole C. Carter (hereinafter, “Carter”) was
13 the managing member of Carter Resources, LLC and the authorized representative of
14 Carter’s Debt Management. When the Notice Order was issued, the last known mailing
15 address for Carter was P.O. BOX 10961, Eugene, Oregon 97440. Beginning around
16 March 19, 2009, Carter’s address changed to Coffee Creek Correctional Facility
17 (“Coffee Creek”), 24499 SW Grahams Ferry Road, Wilsonville, Oregon 97070.
18 According to public records published by the Oregon Department of Corrections, Carter
19 is serving a prison sentence at Coffee Creek for sixteen counts of Theft I, relating to
20 Lane County Circuit Court case #2007-26851, and Carter’s earliest release date is
21 March 28, 2012.

22 4. During 2006 and 2007, Carter, Carter’s Debt Management, and Carter
23 Resources, LLC, (hereinafter, referred to collectively as “the Respondents”) operated a
24 debt management program from Oregon. The Respondents represented to consumers
25 that, in exchange for fees, Carter’s Debt Management would negotiate settlements
26 between the consumers and the consumers’ creditors for the payment of the

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1 consumers' debts.

2 5. At times material to this order, the Respondents advertised on the Internet
3 through their web sites, including www.nicholecarter.com and
4 www.cartersdebtmanagement.com.

5 6. During 2006 and 2007, at least four consumers retained the services of the
6 Respondents, became clients of the Respondents, and those clients paid a total of at
7 least \$7,850. One client eventually received a refund.

8 7. Some clients received a document from the Respondents entitled
9 "Participation in a Debt Management Program." That document states:

10 Carters Debt Management is a for profit organization. I am aware that
11 Carters Debt Management may receive a "fair share" contribution from the
12 creditors for services rendered on my behalf . . . All payments must take
13 the form of automatic checking withdrawal (ACH) or Money Order . . . Any
14 payments due prior to the start of the program should be paid to the
15 creditors to avoid any late fees. However, all subsequent payments must
16 be paid directly to Carters Debt Management . . . The client agrees to pay
17 an administrative enrollment fee of \$25.00 to Carters Debt Management.
18 This fee is for client enrollment in the debt management program, and for
19 setting up and maintaining the client file . . . In addition, the client agrees
20 to pay an administrative fee to help defray the cost of maintaining the
21 necessary bookkeeping services and the preparation of quarterly [sic]
22 statement to be mailed to the client. The monthly fee for administrative
23 maintenance equals 12% of your payment amount.

24 8. Some clients of the Respondents received a document from Carter's Debt
25 Management entitled "State Requirements" concerning the client's right to review his or
26 her client file and the approximate term of payment. That document cites to ORS
27 697.712, which is one of the Oregon laws governing debt consolidating agencies.

28 9. In 2007, the Oregon Division of Finance and Corporate Securities received
29 four consumer complaints concerning the business activities of the Respondents.

30 10. The Respondents failed to return messages or otherwise respond to
31 numerous inquiries from some of their clients and the Oregon Division of Finance and
32 Corporate Securities. Those inquiries were made by letter, e-mail, and by telephone.

1 11. The Oregon Department of Consumer and Business Services has no record
2 of debt consolidating agency registration for any of the Respondents.

3 **CONCLUSION OF LAW**

4 The Director **CONCLUDES:**

5 1. During 2006 and 2007, the Respondents operated as a debt consolidation
6 agency in Oregon.

7 2. During 2006 and 2007, Respondents operated as a debt consolidating agency
8 in Oregon without obtaining a debt consolidating agency registration with the Oregon
9 Department of Consumer and Business Services, in violation of ORS 697.612.

10 **ORDER**

11 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

12 1. Pursuant to ORS 697.825, Respondents Nichole C. Carter, Carter's Debt
13 Management, and Carter Resources, LLC are **ORDERED TO CEASE AND DESIST**
14 from:

15 a. Operating as a debt consolidating agency in Oregon without registering
16 with the Director, in violation of ORS 697.612; and

17 b. Violating any provision of Oregon Revised Statutes Chapter 697 or
18 Oregon Administrative Rules Chapter 441, Division 910.

19 2. Pursuant to the authority of ORS 697.832(1), the DIRECTOR hereby
20 **ASSESSES a CIVIL PENALTY** in the amount of **\$4,000** (four thousand dollars) against
21 Respondents Nichole C. Carter, Carter Resources, LLC d/b/a Carter's Debt
22 Management, jointly and severally, for violations of ORS 697.612.

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1 The date of this Order is the day the Director or the Director's nominee signs the
2 Order. The entry of this Order in no way limits further remedies which may be available
3 to the Director under Oregon law.

4 **IT IS SO ORDERED.**

5 Dated this 30th day of December, 2009, at Salem, Oregon, **NUNC**
6 **PRO TUNC** October 17, 2007.

7 CORY STREISINGER, Director
8 Department of Consumer and Business Services

9
10 /s/ David Tatman

11 David Tatman, Administrator
12 Division of Finance and Corporate Securities

13 **RIGHT TO JUDICIAL REVIEW**

14 **You have the right to appeal this Order to the Oregon Court of Appeals**
15 **pursuant to ORS 183.482. To appeal you must file a petition for judicial review**
16 **with the Court of Appeals within 60 days from the day this Order was served on**
17 **you. If this Order was personally delivered to you, the date of service is the day**
18 **you received the Order. If this Order was mailed to you, the date of service is the**
19 **day it was *mailed*, not the day you received it. If you do not file a petition for**
20 **judicial review within the 60-day time period, you will lose your right to appeal.**

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