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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

DM-10-0059

9 **PEOPLE DEBT, INC.,**
10 **d/b/a DebtCareOnline,**

ORDER TO CEASE AND DESIST,
11 **ORDER ASSESSING CIVIL PENALTY,**
12 **AND CONSENT TO ENTRY OF**
13 **ORDER**

14 Respondent.

15 WHEREAS, the Director of the Department of Consumer and Business Services for the
16 State of Oregon (hereinafter “the Director”), acting pursuant to the Oregon statutes regulating
17 debt management service providers, ORS 697.602 to 697.842, has conducted an investigation of
18 People Debt, Inc. and concluded that violations of Oregon law had been committed; and

19 WHEREAS People Debt, Inc. wishes to resolve this matter with the Director;

20 NOW THEREFORE, as evidenced by the signature(s) subscribed on this Order, People
21 Debt, Inc. hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and
22 Conclusions of Law as stated hereinafter.

23 **I.**

24 **FINDINGS OF FACT**

25 The Director FINDS that:

26 1. People Debt, Inc. (hereinafter “Respondent” or “People Debt”) is a California
corporation with offices located at 4500 Campus Drive, Suite 470, Newport Beach, California
92660. People Debt conducts business under the assumed business name DebtCareOnline and
maintains the website www.debtcareonline.com. Charles Park is the president and sole
shareholder of People Debt. The business name People Debt, Inc. is not registered with the
Oregon Secretary of State.

Division of Finance and Corporate Securities
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350 Winter Street NE, Suite 410
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1 management service provider without being registered with the Director pursuant to ORS chapter
2 697.

3 10. Respondent People Debt violated ORS 697.642(1) when it performed debt
4 management services without first filing a bond issued by one or more corporate sureties
5 authorized to do business in Oregon. Each time Respondent People Debt performed or
6 attempted to perform a debt management service in Oregon without first filing a bond is a
7 separate and distinct violation of ORS 697.642(1).

8 11. Respondent People Debt violated ORS 697.692(1)(a) when it charged consumers an
9 initial fee of more than \$50. Each instance Respondent People Debt charged a consumer an
10 initial fee of more than \$50 is a separate and distinct violation of ORS 697.692(1)(a).

11 **III.**

12 **ORDER**

13 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

14 Cease and Desist Order

15 12. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS
16 Respondent People Debt, Inc. to CEASE AND DESIST from violating any provision of the
17 Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, or any
18 rule, order, or policy issued by the Director under ORS chapters 697.

19 Order Assessing Civil Penalty

20 13. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL
21 PENALTY in an amount of not more than \$5,000 per violation against any person who violates
22 ORS 697.612 or 697.642 to 697.702.

23 14. Pursuant to ORS 697.832, the Director hereby assesses Respondent People Debt, Inc.
24 a CIVIL PENALTY in the amount of \$12,500 (twelve thousand five-hundred dollars) as follows:

25 A. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of
26 the registration provisions of ORS 697.612(2)(d) by engaging in the business of performing debt



1 management service without being registered with the Director pursuant to ORS chapter 697;

2 B. A CIVIL PENALTY of \$5,000 (five thousand dollars) for two violations of ORS
3 697.642(1) for performing debt management services without first filing a bond as required by
4 ORS chapter 697; and

5 C. A CIVIL PENALTY of \$5,000 (five thousand dollars) for two violations of ORS
6 697.692(1)(a) by charging consumers an initial fee of more than \$50.

7 Suspension of Civil Penalty

8 15. The Director agrees to SUSPEND the collection of the CIVIL PENALTY assessed
9 herein providing that Respondent People Debt, Inc. complies with the following terms and
10 conditions:

11 A. No later than the effective date of this Consent Order, Respondent People Debt, Inc.
12 shall have refunded all monies paid by each Oregon client to People Debt, less any amounts
13 paid to the clients' creditors. The refunds must include any amounts held on deposit for the
14 client. A cover letter from People Debt must accompany the refund explaining that the client's
15 funds are being refunded because the State of Oregon, Division of Finance and Corporate
16 Securities ("the Division") determined that People Debt was not in compliance with Oregon
17 law. People Debt shall provide the Division with satisfactory proof of the refunds and copies of
18 the cover letters to the Oregon clients.

19 B. No later than the effective date of this Consent Order, Respondent People Debt, Inc.
20 must have either: i) applied with the Director to be registered as a debt management service
21 provider pursuant to ORS 697.632, or ii) have placed a prominent disclaimer on its website to
22 the effect that its debt management services are not available to Oregon residents. Any
23 disclaimer is to this effect shall be displayed in type no smaller than that used for the remainder
24 of the page. A similar disclaimer is to be made on the websites of all affiliated companies, and
25 in all written promotional materials published by or for People Debt, Inc.

26 C. Comply with all terms and conditions set out in this Consent Order and commit no



1 new violations of the Oregon statutes regulating debt management service providers, ORS
2 697.602 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS
3 697.825.

4 16. If Respondent People Debt, Inc. commits no new violations during the three-year
5 period from the effective date of this Consent Order, the Director will WAIVE the collection of
6 the suspended CIVIL PENALTY assessed herein.

7 17. The Director reserves the right to immediately impose the suspended CIVIL
8 PENALTY upon a determination that Respondent People Debt, Inc. has violated any term of this
9 Consent Order.

10 18. The entry of this Consent Order in no way limits further remedies which may be
11 available to the Director under Oregon law.

12 19. The effective date of this Consent Order is the date the Consent Order is signed by the
13 Director or his designee.

14 IT IS SO ORDERED.

15 Dated this 1st day of March, 2011 at Salem, Oregon.

16 SCOTT L. HARRA, Acting Director
17 Department of Consumer and Business Services

18 /s/ David Tatman
19 David C. Tatman, Administrator
20 Division of Finance and Corporate Securities

21 **CORPORATE CONSENT TO ENTRY OF ORDER**

22 I, Charles Park, state that I am an officer of People Debt, Inc. (“Respondent”), and I am
23 authorized to act on its behalf; that I have read the foregoing Consent Order and that I know and
24 fully understand the contents hereof; that I and this entity have been advised of the right to a
25 hearing and of the right to be represented by counsel in this matter; that Respondent, voluntarily
26 and without any force or duress, consents to the entry of this Consent Order, expressly waiving



1 any right to a hearing in this matter; that Respondent neither admits nor denies the Findings of
2 Fact and Conclusions of Law in the foregoing Consent Order; that Respondent understands that
3 the Director reserves the right to take further actions to enforce this Consent Order or to take
4 appropriate action upon discovery of other violations of the Oregon statutes regulating debt
5 management service providers, ORS 697.612 or ORS 697.642 to 697.702, the rules adopted
6 pursuant to ORS 697.632, or any order issued under ORS 697.825, and that Respondent will
7 fully comply with the terms and conditions stated herein.

8 Respondent further assures the Director that neither Respondent, nor its officers,
9 directors, employees or agents, will offer or provide debt management services in Oregon unless
10 such activities are in full compliance with chapter 697 of the Oregon Revised Statutes.

11 Respondent understands that this Consent Order is a public document.

12 Dated this 9th day of February, 2011.

13
14 By: /s/ Charles Park
Charles Park

15 Office Held: _____

16 **CORPORATE ACKNOWLEDGMENT**

17 State of California

18 County of Orange

19
20 There appeared before me this 9th day of February, 2011, Charles Park, who was
21 first duly sworn on oath, and stated that he was and is an officer of People Debt, Inc., and that he
22 is authorized and empowered to sign this Consent Order on behalf of People Debt, Inc. and to
23 bind it to the terms hereof.

24
25 /s/ Signature of Notary
Signature of Notary Public

26