

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Case No. DM-11-0096

Capital Debt Relief, LLC;

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PEN-
ALTY AND CONSENT TO ENTRY
OF ORDER

Respondent.

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, has conducted an investigation of Capital Debt Relief, LLC (“CDR”) and has concluded that violations of Oregon law have been committed; and

WHEREAS CDR wishes to resolve this matter with the Director;

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

I.

FINDINGS OF FACT

The Director FINDS that:

1. CDR is a Florida limited liability company with offices located at 23116 Sandalfoot Plaza Drive, Suite A, Boca Raton, Florida 33428. The company is also believed to have offices at 1121 Banks Road, Margate, Florida 33063. Christopher Boulahanis is the principal and managing member of the company.

2. At all times relevant to this matter, CDR held itself out as providing debt management services as defined by ORS 697.602(2)(d), by receiving money in return for obtaining or attempting

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not
2 limited to, a reduction in the principal, interest, penalties or fees associated with a debt.

3 3. At no time material to this Order was CDR registered in Oregon with the Director as a
4 debt management service provider.

5 4. At no time material to this Order did CDR file a bond with the Director as required by
6 Oregon law.

7 5. At all times relevant to this matter, the individuals identified herein as "CT", "DW",
8 "GV", "HB", "LB", "MMS" and "WS" (collectively referred to hereafter as "the clients") were resi-
9 dents of the State of Oregon.

10 6. In the period February 2010 to July 2010, the clients each enrolled in CDR's debt consol-
11 idation program. CDR charged the clients' an initial fee of more than \$50 and charged each client a
12 monthly fee of \$60. In total, CDR collected over \$10,000 from the clients.

13 II.

14 CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 7. CDR performed debt management services as defined by ORS 697.602(2)(d) when it re-
17 ceived money in return for obtaining or attempting to obtain as an intermediary on a consumer's
18 behalf a concession from a creditor including, but not limited to, a reduction in the principal, inter-
19 est, penalties or fees associated with a debt.

20 8. CDR violated ORS 697.612 by engaging in the business of debt management service
21 provider without being registered with the Director pursuant to ORS chapter 697.

22 9. CDR violated ORS 697.642(1) when it performed debt management services without
23 first filing a bond issued by one or more corporate sureties authorized to do business in Oregon.

24 10. CDR violated ORS 697.692(1)(a) each time it charged Oregon consumers an initial fee
25 exceeding \$50.

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III.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Order to Cease and Desist

11. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS CDR, and all entities owned or controlled by CDR, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt management service providers, ORS chapter 697, and any rule, order, or policy issued by the Director under ORS chapter 697.

Order Assessing Civil Penalty

12. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL PENALTY in an amount of not more than \$5,000 per violation against any person who violates ORS 697.602 to 697.842, rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825.

13. Pursuant to ORS 697.832, the Director hereby assesses CDR a CIVIL PENALTY in the amount of \$45,000 (forty-five thousand dollars) as follows:

A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violation of the registration provisions of ORS 697.612(2)(d) by engaging in the business of performing debt management service without being registered with the Director pursuant to ORS chapter 697;

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

C. A CIVIL PENALTY of \$35,000 (thirty-five thousand dollars) for nine violations of ORS 697.692(1)(a) by charging an initial fee in excess of \$50 and charging a monthly fee of \$60.

Suspension of Civil Penalty

14. The Director agrees to SUSPEND the collection of the \$45,000 CIVIL PENALTY assessed herein providing that CDR complies with all of the following terms and conditions:

A. Within 90 days from the effective date of this Order, CDR shall refund all monies paid



1 by the clients, less any amounts paid to their creditors. This refund must include any amounts held
2 on deposit for clients. CDR shall provide the Oregon Division of Finance and Corporate Securities
3 with satisfactory proof of the refunds.

4 B. Suspend all collection activities for interest on, or any fees or charges for, debt manage-
5 ment services provided to Oregon consumers.

6 C. Within 10 days from the effective date of this Order, CDR must either: (i) file an applica-
7 tion to register with the Director as a debt management service provider pursuant to ORS 697.632,
8 or (ii) place a prominent disclaimer on its website, the websites of all affiliated companies, and in all
9 promotional materials published by or for CDR, to the effect that its debt management services are
10 not available to Oregon residents.

11 D. Comply with all terms and conditions set out in this Order and commit no new viola-
12 tions of the Oregon statutes regulating debt management service providers, ORS 697.602 to
13 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825.

14 15. If CDR commits no new violations of the Oregon statutes regulating debt management
15 service providers during the three-year period from the effective date of this Order, the Director
16 WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

17 16. The Director reserves the right to immediately impose the suspended CIVIL PENALTY
18 upon a determination that CDR has violated any term of this Order.

19 17. The entry of this Order in no way limits further remedies which may be available to the
20 Director under Oregon law.

21 IT IS SO ORDERED.

22 Dated this 20th day of October, 2011 at Salem, Oregon.

23 SCOTT L. HARRA, Acting Director
24 Department of Consumer and Business Services

25 /s/ David Tatman
26 David C. Tatman, Administrator
Division of Finance and Corporate Securities

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
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Telephone: (503) 378-4387



1 CORPORATE CONSENT TO ENTRY OF ORDER

2 I, Christopher Boulahanis, state that I am an officer of Capital Debt Relief, LLC
3 (“Respondent”), and I am authorized to act on its behalf; that I have read the foregoing
4 Order and that I know and fully understand the contents hereof; that I and Respondent
5 have been advised of the right to a hearing and of the right to be represented by counsel in
6 this matter; that Respondent, voluntarily and without any force or duress, consents to the
7 entry of this Order, expressly waiving any right to a hearing in this matter; that Respondent
8 neither admits nor denies the Findings of Fact and Conclusions of Law in the foregoing
9 Order; that Respondent, executes this Order as a settlement of the matters referred to in
10 the foregoing Order; that Respondent understands that the Director reserves the right to
11 take further actions to enforce this Order or to take appropriate action upon discovery of
12 other violations of the Oregon statutes regulating debt management service providers, ORS
13 697.602 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under
14 ORS 697.825, and that Respondent will fully comply with the terms and conditions stated
15 herein.

16 Respondent further assures the Director that neither Respondent, nor its officers, di-
17 rectors, employees or agents, will offer or provide debt management services in Oregon un-
18 less such activities are in full compliance with chapter 697 of the Oregon Revised Statutes.

19 Respondent understands that this Order is a public document.

20 Dated this 13th day of October, 2011.

21 By: /s/ Christopher Boulahanis
22 Christopher Boulahanis

23 Office Held: Managing Member

24 CORPORATE ACKNOWLEDGMENT

25 State of Florida

26 County of Palm Beach

There appeared before me this 13 day of October, 2011,
Christopher Boulahanis, who was first duly sworn on oath, and stated that he was and is
an officer of Respondent, and that he is authorized and empowered to sign this Order on
behalf of Respondent, and to bind it to the terms hereof.

/s/ Erica L Franqui
Signature of Notary Public