

FINDINGS OF FACT

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The Director **FINDS** that:

1. Global Credit Management, Inc. was an Oregon corporation formed on March 18, 2005 and dissolved on May 19, 2006. It was the successor of Global Credit Management LLC, an Oregon limited liability company formed on May 11, 2004 and dissolved on March 11, 2005.

Both Global Credit Management, Inc. and Global Credit Management LLC (collectively, “Global Credit”) were owned and operated by Alexander V. Knyazev and Marc Milo Johnson.

2. Global Credit operated from 8934 SW 76th in Tigard, Oregon, 97223 and 4711 SW Huber Street #E5 in Portland, Oregon, 97219. Global Credit received mail at 9220 SW Barber Boulevard, Suite #119, Box #250 in Portland, Oregon, 97219.

3. The Director has no record of collection agency registration in Oregon for Global Credit, Knyazev or Johnson at any time material to this Consent Order.

4. Knyazev and Johnson, using the name Global Credit, solicited customers or directed others to solicit customers to assign accounts for collection with Global Credit. Solicitation was primarily made by telephone “cold-calls” from a list of companies obtained from an Internet database. Potential customers who expressed interest from the “cold-call” were typically sent a facsimile containing an introductory letter and a four-page brochure. Fees and commissions were usually discussed with the potential customers over the telephone. Customers who agreed to assign their accounts for collection (hereinafter “assignors”) by Global Credit were asked to sign an authorization letter and provide account balance information, purchase orders, and other information regarding the debt owed.

5. Global Credit, at the direction of Knyazev and Johnson, accepted assignments from assignors who assigned debts to Global Credit to be collected.

6. During 2004 and 2005, Global Credit, at the direction of Knyazev and Johnson, collected a total of at least \$100,000 owed from at least 50 debts assigned by at least 30 of Global Credit’s assignors.

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1 7. The assignors paid Global Credit, at the direction of Knyazev and Johnson, for collecting
2 the debt based upon a percentage of the debt collected. The percentage amount varied among
3 Global Credit’s assignors.

4 8. Global Credit received a percentage amount for each of the debts it collected.

5 9. Global Credit, at the direction of Knyazev and Johnson, operated using several bank
6 accounts (hereinafter collectively referred to as “the bank accounts”) at the following financial
7 institutions: 1) Washington Mutual Bank, from May 2004 through December 2004; 2) Wells
8 Fargo Bank, from December 2004 through at least August 11, 2005; and 3) Home Street Bank,
9 through at least August 11, 2005. None of the bank accounts was designated as a client trust
10 account.

11 10. Global Credit, at the direction of Knyazev and Johnson, deposited funds from debtors and
12 assignors to the bank accounts. Global Credit, at the direction of Knyazev and Johnson, also
13 paid operating and other expenses from the bank accounts.

14 11. Global Credit, through the actions of Johnson, solicited assignment of accounts for
15 collection from “Business A”. In response to the solicitation, “Business A” assigned three
16 accounts for collection with Global Credit; one of which was “Debtor A”.

17 12. “Debtor A” sent Global Credit a check, in the amount of \$3,607.56 that cleared the bank
18 on April 12, 2005 to pay a debt owed to “Business A”.

19 13. Despite contact by “Business A” seeking payment of the assigned debt collected by
20 Global Credit from “Debtor A”, Global Credit, did not forward to “Business A” the amount
21 due “Business A” collected from “Debtor A”.

22 14. Global Credit, at the direction of Alexander V. Knyazev and Marc Milo Johnson,
23 solicited assignment of accounts for collection from “Business B”. In response to the solicitation,
24 “Business B” assigned two accounts, “Debtor B” and “Debtor C”, for collection with Global
25 Credit.

26 15. “Debtor B” sent Global Credit a check in the amount of \$1,750.00 that cleared the bank

1 on March 23, 2005 to pay a debt owed to “Business B”.

2 16. “Debtor C” sent Global Credit a check dated April 27, 2005 in the amount of \$1,425.00
3 that was deposited to one of Global Credit’s bank accounts on or about May 2, 2005 to pay a
4 debt owed to “Business B”.

5 17. Despite contact by “Business B” seeking payment of the assigned debts collected by
6 Global Credit from “Debtor B” and “Debtor C”, Global Credit did not forward to “Business B”
7 the amount due “Business B” collected from “Debtor B” or “Debtor C”.

8 18. Knyazev and Johnson have pleaded guilty to mail fraud, in violation of 18 U.S.C. 1341
9 and 1342, in connection with their business activities operating the Global Credit collection
10 agency during 2004 and 2005. The criminal cases are *United States of America v. Marc Milo*
11 *Johnson*, and *United States of America v. Alexander Knyazev*, U.S. District Court for the District
12 of Oregon, #CR-07-380-KI.

13 CONCLUSIONS OF LAW

14 The Director **CONCLUDES** that:

15 19. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.015
16 each time it solicited an assignment of an account for collection from each of the assignors who
17 assigned accounts to Global Credit for collection while Global Credit was not registered in
18 Oregon as a collection agency.

19 20. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.015
20 each time it collected on an account assigned for collection by an assignor while Global Credit
21 was not registered in Oregon as a collection agency.

22 21. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.058(4)
23 when it failed to establish a clients’ trust account into which client funds would be deposited.

24 22. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.058(3)
25 by commingling the moneys of assignors with other funds when Global Credit deposited
26 assignor funds to bank accounts from which it paid operating and other expenses.



1 23. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.058(6)
2 each time it failed to pay “Business A” and “Business B” the funds collected from “Debtor A”,
3 “Debtor B”, and “Debtor C” due to “Business A” and “Business B” within 30 days of the close
4 of the calendar or fiscal month in which those assigned debts were collected.

5 24. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.091(1)
6 each time Global Credit received payment for collecting a debt owed an assignor while violating
7 ORS 697.015.

8 **ORDER**

9 25. The Director, pursuant to ORS 697.093 hereby **ORDERS** that Global Credit, any
10 successor business or corporation, Alexander V. Knyazev and Marc Milo Johnson shall **CEASE**
11 **and DESIST** from violating any provision of the Oregon Collection Agency Law.

12 26. The Director, pursuant to ORS 697.095, hereby **ASSESES** a civil penalty in the amount
13 of \$25,000 (twenty-five thousand dollars) against Global Credit, any successor business or
14 corporation, Alexander V. Knyazev and Marc Milo Johnson, jointly and severally, for the
15 violations of ORS 697.015, ORS 697.058(4), ORS 697.058(3), ORS 697.058(6), and ORS
16 697.091(1) described herein.

17 27. The Director agrees to **SUSPEND** the civil penalty assessed herein provided that
18 Knyazev and Johnson comply with the victim restitution payment terms in the disposition of the
19 following criminal cases, *United States of America v. Marc Milo Johnson*, and *United States of*
20 *America v. Alexander Knyazev*, U.S. District Court for the District of Oregon, #CR-07-380-KI,
21 and as well all terms of this Consent Order. In the event Knyazev or Johnson fails to comply
22 with the aforesaid restitution payment terms, and is found to be in violation of those terms by the
23 U.S. District Court for the District of Oregon, or violates any term of this Consent Order, the
24 entire **CIVIL PENALTY** will become immediately due and payable. When Knyazev and
25 Johnson have made all payments required by the aforesaid restitution payment terms, the **CIVIL**
26 **PENALTY** assessed herein will be deemed **WAIVED**.

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1 28. The Director hereby **ORDERS** that Marc Milo Johnson and Alexander V. Knyazev are
2 permanently **BARRED** from, and may not own, operate or be employed by any business
3 required to register or obtain a license from the Oregon Division of Finance and Corporate
4 Securities, which includes, but is not limited to any Oregon collection agency, bank, credit
5 union, securities broker-dealer, investment adviser, mortgage broker or banker, consumer finance
6 company, pawnbroker, payday or title lender, debt management company or pre-arranged funeral
7 plans and endowment care company required to be registered or licensed in Oregon.

8 29. The date of this Consent Order is the day the Director or Director’s nominee signs the
9 Consent Order. The Director reserves the right to take further action to enforce this Consent
10 Order or to take appropriate action upon discovery of new violations of the Oregon Collection
11 Agency Law that arise from facts and circumstances outside the scope of this Consent Order.

12 Dated this 9th day of April , 2012, at Salem, Oregon.

13 PATRICK M. ALLEN, Director
14 Department of Consumer and Business Services

15
16 /s/ David Tatman
17 David Tatman, Administrator
18 Division of Finance and Corporate Securities

19 **CONSENT TO ENTRY OF ORDER - GLOBAL CREDIT MANAGEMENT LLC**

20 I, Alexander Knyazev , state that I was President of
21 Global Credit Management LLC (“GCML”), and I am authorized to act on GCML’s behalf; that
22 I have read the foregoing Consent Order and that I know and fully understand the contents
23 hereof; that GCML and I have been advised of the right to a hearing and of the right to be
24 represented by counsel in this matter; that GCML voluntarily and without any force or duress,
25 consents to the entry of this Consent Order, expressly waiving any right to a hearing in this
26 matter; that GCML understands that the Director reserves the right to take further action to
enforce this Consent Order or to take appropriate action upon discovery of other violations of the

1 Oregon Collection Agency Law or rule or any order issued by the Director; and that GCML will
2 fully comply with the terms and conditions stated herein.

3 GCML understands that this Consent Order is a public document.

4
5 By /s/ Alexander Knyazev
(Signature of officer)
6
7 President
(Office Held)

8 STATE OF Oregon
9 County of Multnomah

10 **ACKNOWLEDGMENT**

11 There appeared before me this 15th day of March, 2012,
12 Alexander Knyazev, who was first duly sworn on oath, and stated that he was
13 President of GCML and that he is authorized and empowered to sign this
14 Consent to Entry of Order on behalf of GCML, and to bind GCML to the terms hereof.

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17 /s/ Marlene Lou Ann George
18 Notary Public

19 **CONSENT TO ENTRY OF ORDER - GLOBAL CREDIT MANAGEMENT INC.**

20 I, Alexander Knyazev, state that I was President of
21 Global Credit Management Inc. ("GCMI"), and I am authorized to act on GCMI's behalf; that I
22 have read the foregoing Consent Order and that I know and fully understand the contents hereof;
23 that GCMI and I have been advised of the right to a hearing and of the right to be represented by
24 counsel in this matter; that GCMI voluntarily and without any force or duress, consents to the
25 entry of this Consent Order, expressly waiving any right to a hearing in this matter; that GCMI
26 understands that the Director reserves the right to take further action to enforce this Consent

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1 Order or to take appropriate action upon discovery of other violations of the Oregon Collection
2 Agency Law or rule or any order issued by the Director; and that GCMC will fully comply with
3 the terms and conditions stated herein.

4 GCMC understands that this Consent Order is a public document.

5 By /s/Alexander Knyazev
6 (Signature of officer)

7 President
8 (Office Held)

8 STATE OF Oregon

9 County of Multnomah

10 **ACKNOWLEDGMENT**

11 There appeared before me this 3 day of April, 2012,
12 in person, who was first duly sworn on oath, and stated that he was
13 Alexander Knyazev of GCMC and that he is authorized and empowered to sign this Consent
14 to Entry of Order on behalf of GCMC, and to bind GCMC to the terms hereof.

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16 /s/ Karen Bonifacio
17 Notary Public

18 **CONSENT TO ENTRY OF ORDER - MARC MILO JOHNSON**

19 I, Marc Milo Johnson, state that have read the foregoing Consent Order and that I know
20 and fully understand the contents thereof; that I have been advised of the right to a hearing and of
21 the right to be represented by counsel in this matter; that I voluntarily and without any force or
22 duress, consent to the entry of this Consent Order, expressly waiving any right to a hearing in
23 this matter; that I understand that the Director reserves the right to take further action to enforce
24 this Consent Order or to take appropriate action upon discovery of a violation of any provision of
25 the Oregon Collection Agency Law or any rule or order issued by the Director; and that I will

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1 fully comply with the terms and conditions stated herein.

2 I understand that this Consent Order is a public document.

3

4 By /s/ Marc Milo Johnson
Marc Milo Johnson

5 STATE OF Louisiana

6 Parish of Orleans

7 SUBSCRIBED AND SWORN TO before me by Marc Milo Johnson, this 27th
8 day of February, 2012.

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/s/ W. Richard House Jr.
Notary Public

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CONSENT TO ENTRY OF ORDER - ALEXANDER V. KNYAZEV

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I, Alexander V. Knyazev, state that have read the foregoing Consent Order and that I
15 know and fully understand the contents thereof; that I have been advised of the right to a hearing
16 and of the right to be represented by counsel in this matter; that I voluntarily and without any
17 force or duress, consent to the entry of this Consent Order, expressly waiving any right to a
18 hearing in this matter; that I understand that the Director reserves the right to take further action
19 to enforce this Consent Order or to take appropriate action upon discovery of a violation of any
20 provision of the Oregon Collection Agency Law or rule or order issued by the Director; and that

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1 I will fully comply with the terms and conditions stated herein.

2 I understand that this Consent Order is a public document.

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4

By /s/ Alexander Knyazev
Alexander V. Knyazev

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7 STATE OF Oregon

8 County of Multnomah

9 SUBSCRIBED AND SWORN TO before me by Alexander Knyazev, this 15th

10 day of March, 2012.

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/s/ Marlene Lou Ann George
Notary Public

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