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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

In the Matter of:) DC-07-0036
)
Commercial Credit Counseling) ORDER TO CEASE AND DESIST,
Services, Inc. dba) ORDER ASSESSING CIVIL
Corporate Turnaround,) PENALTY, AND CONSENT TO
) ENTRY OF ORDER
Respondent.)
)
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)

11 WHEREAS the Director of the Department of Consumer and
12 Business Services (hereinafter, "the Director") has conducted an
13 investigation of certain business activities conducted by
14 Commercial Credit Counseling Services, Inc. dba Corporate
15 Turnaround, and the Director has determined that Commercial
16 Credit Counseling Services, Inc. dba Corporate Turnaround
17 operated as a debt consolidating agency in the State of Oregon
18 in violation of Oregon law governing debt consolidating
19 agencies, Oregon Revised Statutes Chapter 697.602 et seq. and
20 Oregon Administrative Rules Chapter 441, Division 910;

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



21 WHEREAS Commercial Credit Counseling Services, Inc. dba
22 Corporate Turnaround wishes to resolve and settle this matter
23 with the Director;

24 NOW THEREFORE, as evidenced by the authorized signatures
25 subscribed on this Order, Commercial Credit Counseling Services,
26 Inc. dba Corporate Turnaround hereby **CONSENTS** to entry of this

*In the Matter of: Commercial Credit Counseling Services, Inc. dba
Corporate Turnaround-* ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO ENTRY OF ORDER

1 Order to Cease and Desist upon the Director's Findings of Fact
2 and Conclusions of Law as stated hereinafter.

3 **FINDINGS OF FACT**

4 The Director **FINDS** that:

5 1. Commercial Credit Counseling Services, Inc. dba
6 Corporate Turnaround (hereinafter, "CT") is a New Jersey
7 corporation with a principal place of business at 95 State
8 Highway 17 South, Suite 310, Paramus, New Jersey 07652.

9 2. At times material to this order, CT advertised on the
10 Internet at www.sbdebt.com and www.corporateturnaround.com. CT
11 offered "debt restructuring" services to small businesses. In
12 exchange for fees, Corporate Turnaround offered to negotiate
13 with a client's creditors, collection agencies, and attorneys to
14 settle business debts. Generally, clients paid installments to
15 CT for distribution to the clients' creditors, with CT reserving
16 a portion of the clients' installment payments to cover the fees
17 charged by CT.

18 3. Among other fees, CT charged a fee for stretching out
19 settlements over time, which CT refers to as a "stretching fee"
20 of 1.5% per month on the balance owed to creditors. CT also
21 charged clients fees of "35% of whatever we save you, \$75 for
22 each creditor included and \$10 for each check we send to your
23 creditors...On average, the cost of restructuring is about 25 to
24 30% of the amount of debt you have."

25 4. Between 2002 and 2007, CT collected a total of at least
26 \$138,404.40 in fees from at least fifteen Oregon clients.

*In the Matter of: Commercial Credit Counseling Services, Inc. dba
Corporate Turnaround- ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO ENTRY OF ORDER*



1 5. Between 2002 and 2007, the contracts between CT and
2 Oregon clients did not include the following required items:
3 (1) the address of CT; (2) a statement, in precise terms, of
4 payments reasonably within the ability of the client to pay; (3)
5 a statement of the approximate number of installments required
6 to pay the debts; and (4) a provision allowing the client to
7 examine the client's account in CT's office during office hours.

8 6. Between 2002 and 2007, CT charged Oregon clients fees
9 of more than 15 percent of the amounts actually received by CT
10 on behalf of the Oregon clients for payment to creditors.

11 7. Between 2002 and 2007, CT charged Oregon clients
12 "listing fees" ranging from \$50 to \$75 per creditor. Oregon law
13 allows a debt consolidating agency to charge a client an initial
14 set-up fee of not more than \$25.

15 8. Between 2002 and 2007, CT charged or received from
16 Oregon clients fees for services provided by CT without first
17 providing those clients a separate form disclosing the maximum
18 amount CT may charge for services performed for the client, and
19 disclosing that the client is responsible for the payment of the
20 amount charged.

21 9. The Oregon Division of Finance and Corporate Securities
22 has no record of debt consolidating agency registration for CT.

23 10. The Oregon Division of Finance and Corporate
24 Securities has received a complaint filed by a client of CT.

25 / / /

26 / / /



1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES:**

3 1. Between 2002 and 2007, Respondent CT acted as a debt
4 consolidating agency in Oregon.

5 2. Between 2002 and 2007, Respondent CT operated as a debt
6 consolidating agency in Oregon without obtaining a debt
7 consolidating agency registration with the Oregon Department of
8 Consumer and Business Services, in violation of ORS 697.612.

9 3. Between 2002 and 2007, Respondent CT made improper
10 contracts or agreements with Oregon clients, in violation of ORS
11 697.652.

12 4. Between 2002 and 2007, Respondent CT charged Oregon
13 clients excess and unauthorized fees, in violation of ORS
14 697.692.

15 5. Between 2002 and 2007, Respondent CT received fees from
16 Oregon clients without first providing the clients with the
17 required written fee disclosures, in violation of ORS 697.707.

18 **ORDER**

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

20 1. Pursuant to ORS 697.825, Respondent CT is **ORDERED TO**
21 **CEASE AND DESIST** from:

22 a. Operating as a debt consolidating agency in Oregon
23 without registering with the Director, in violation of ORS
24 697.612;

25 b. Making improper contracts or agreements with
26 Oregon clients, in violation of ORS 697.652.

*In the Matter of: Commercial Credit Counseling Services, Inc. dba
Corporate Turnaround-* ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL
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1 c. Charging Oregon clients excess and unauthorized
2 fees, in violation of ORS 697.692.

3 d. Receiving fees from Oregon clients without first
4 providing the required written fee disclosures, in violation of
5 ORS 697.707.

6 e. Violating any provision of Oregon Revised
7 Statutes Chapter 697 or Oregon Administrative Rules Chapter 441,
8 Division 910.

9 2. Until March 31, 2011, Respondent CT is **BARRED** from
10 applying for, holding, or renewing any license or registration
11 required by the Director, including but not limited to the
12 following financial services: debt consolidating agency,
13 insurance, securities, consumer finance, manufactured home
14 dealer or mortgage lending. After March 31, 2011, CT may apply
15 for a license or registration required by the Director.

16 3. Pursuant to the authority of ORS 697.832(1), the
17 DIRECTOR hereby **ASSESSES a CIVIL PENALTY** in the amount of
18 \$150,000 (one hundred fifty thousand dollars) against Respondent
19 CT, for violations of ORS 697.612, ORS 697.652, ORS 697.692 and
20 ORS 697.707, the payment of \$140,000 (one hundred forty thousand
21 dollars) of which is suspended so long as Respondent CT refunds,
22 no later than March 31, 2009, 100% of the fees to Oregon clients
23 listed on Exhibit A, which is attached to and incorporated
24 within this Order, and complies with all terms of this Order;
25 **PROVIDED HOWEVER**, that the suspended portion of the this penalty
26 and statutory interest accruing from the date the Director signs

*In the Matter of: Commercial Credit Counseling Services, Inc. dba
Corporate Turnaround- ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL
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1 this Order, will be immediately due and payable upon a
2 determination by the Director that the Respondent has violated
3 any term of this Order, or any provision of Oregon Revised
4 Statutes Chapter 697 and Oregon Administrative Rules Chapter
5 441, Division 910.

6 4. Respondent CT must provide a report to the Division of
7 Finance and Corporate Securities, Enforcement Section, P.O. Box
8 14480, Salem, OR 97309-0405 no later than June 30, 2009, with
9 documentation of the fee refunds CT paid to Oregon clients. The
10 report must list the dates and amounts of refunds Respondent CT
11 paid to the clients listed on Exhibit A and include copies of
12 the front and back of canceled refund checks payable to those
13 clients, showing that Respondent CT is in compliance with the
14 fee refund requirements of this Order. In the event that a
15 client listed on Exhibit A does not cash a refund check, CT must
16 demonstrate diligent efforts to locate and refund fees to the
17 client, to the Director's satisfaction.

18 5. No later than April 4, 2008, Respondent CT will
19 provide the Oregon Department of Consumer and Business Services
20 with a true copy of each contract or agreement between CT and
21 each client listed on Exhibit A.

22 6. Respondent CT will pay \$5,000 (five thousand dollars) of
23 the civil penalty to the Oregon Department of Consumer and
24 Business Services upon the execution of this order, and
25 Respondent CT will pay an additional \$5,000 (five thousand
26 dollars) of the civil penalty to the Oregon Department of



1 Consumer and Business Services, no later than March 31, 2009.

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

4 Dated this 11th day of April, 2008 at Salem,
5 Oregon.

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

8 

9 David Tatman, Administrator
10 Division of Finance and Corporate Securities

11
12 **CORPORATE CONSENT TO ENTRY OF ORDER**

13 **for Daniel Hines on behalf of CT**

14 I, Daniel Hines, state that I am COO of CT; that
15 I am authorized to act on its behalf; that I have read the
16 foregoing Order and that I know and fully understand the
17 contents hereof; that CT and I have been advised of the right to
18 a hearing; that CT has been represented by counsel in this
19 matter; that CT, voluntarily and without any force or duress,
20 consents to the entry of this Order, without admitting or
21 denying the factual allegations stated herein, expressly waiving
22 any right to a hearing in this matter; that CT understands that
23 the Director reserves the right to take further actions to
24 enforce this Order or to take appropriate action upon discovery
25 of other violations of the Oregon laws governing debt
26 / / /

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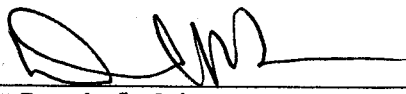
**In the Matter of: Commercial Credit Counseling Services, Inc. dba
Corporate Turnaround- ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL
PENALTY AND CONSENT TO ENTRY OF ORDER**

1 consolidating agencies; and that CT will fully comply with the
2 terms and conditions stated herein.

3 CT further assures the Director that neither CT nor its
4 officers, directors, employees or agents will conduct business
5 as a debt consolidating agency in Oregon unless such activities
6 are in full compliance with the terms of this Order and with
7 Chapter 697 of the Oregon Revised Statutes and Chapter 441,
8 Division 910, of the Oregon Administrative Rules.

9 CT understands that this Consent Order is a public document.

10 Dated this 2nd day of April, 2008.

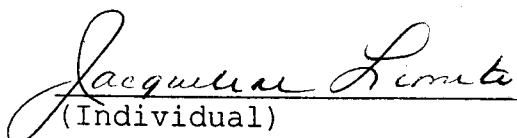
11
12 By: 
13 **Daniel Hines**
14 (Office Held): Chief Operating
15 Officer

16 **CORPORATE ACKNOWLEDGMENT**

17 There appeared before me this 2nd day of April, 2008,
18 **Daniel Hines** who was first duly sworn on oath, and stated
19 that he is Chief Operating Officer of CT and that he is
20 authorized and empowered to sign this Consent to Entry of Order
21 on behalf of CT, and to bind CT to the terms hereof.

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22 
23 (Individual)

24 **JACQUELINE LIMITE**
25 **NOTARY PUBLIC**
26 **STATE OF NEW JERSEY**
MY COMMISSION EXPIRES JUNE 13, 2010

Jacqueline Limite
(Printed Name of Notary Public)
Notary Public
for the State of: New Jersey
My commission expires: June 13, 2010

