

1  
2  
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-11-0090**

9 **Networth Credit Services, LLC,**

**FINAL ORDER TO CEASE AND  
DESIST AND ORDER ASSESSING  
CIVIL PENALTY ENTERED BY  
DEFAULT**

10 Respondent.

11 On September 6, 2011, the Director of the Department of Consumer and Business  
12 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of  
13 the Oregon Revised Statutes (“ORS”) 697.602 to 697.842 issued Administrative Order No. DM-  
14 11-0090, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL  
15 PENALTY AND NOTICE OF OPPORTUNITY FOR AN ADMINSTRATIVE HEARING (“the  
16 Proposed Order”) against Respondent Networth Credit Services, LLC (“Networth”).

17 On September 6, 2011, Networth was duly served with a true copy of the Proposed Order  
18 by certified United States Mail, postage prepaid, Item No. 7008 1830 0003 3147 2157, and by  
19 regular first class mail to Networth’s last known address, 810 Loma Linda Drive, Klamath Falls,  
20 Oregon 97601.

21 Networth has not made a written demand for a contested case hearing in this matter and  
22 time to do so has now expired.

23 NOW THEREFORE, after consideration of the file in this matter maintained by the  
24 Division of Finance and Corporate Securities (“DFCS”), including any materials that Networth  
25 may have submitted, the Director hereby issues the following Findings of Fact, Conclusions of  
26 Law, and Final Orders.

//

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  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**I.**  
**FINDINGS OF FACT**

The Director FINDS that:

1. Networth is believed to be an Oregon limited liability company with its principal office located at 810 Loma Linda Dr., Klamath Falls, Oregon 97601. Mr. David Studendorff is the managing member and sole proprietor of Networth.

2. From approximately December 4, 2009, to approximately June 6, 2011, Networth 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 to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.

3. Until approximately July 1, 2011, Networth maintained the website www.networthcs.com. On its website, Networth advertised that it is a "debt settlement company helping consumers across the country deal with intolerable amounts of credit card debt and other unsecured debts."

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

5. To date, Networth has entered into debt management service agreements with at least four consumers.

6. In each case, Networth charged its consumers a fee that exceeded \$65 per month to receive debt management services.

7. At no time material to this Order did Networth file a bond with the Director as required by Oregon law.

//  
//  
//



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**II.**

**CONCLUSIONS OF LAW**

The Director CONCLUDES that:

8. Networth performed debt management services as defined by ORS 697.602(2)(d) when it received money in return for obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.

9. Networth violated ORS 697.612 by engaging in the business of debt management service provider without being registered with the Director pursuant to ORS chapter 697. Each instance Networth provided debt management services without first being registered with the Director is a separate and distinct violation of ORS 697.612.

10. Networth violated ORS 697.642(1) when it performed debt management services without first filing a bond issued by one or more corporate sureties authorized to do business in Oregon. Each instance Networth provided debt management service without first filing a bond is a separate and distinct violation of ORS 697.642(1).

11. Networth violated ORS 697.692(1)(d) when it charged consumers a fee that exceeded \$65 per month to receive debt management services. Each instance Networth charged a fee in excess of \$65 is a separate and distinct violation of ORS 697.692(1)(d).

**III.**

**ORDERS**

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Order to Cease and Desist

12. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS Networth, and all entities owned or controlled by Networth, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt

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 management service providers, ORS chapter 697, and any rule, order, or policy issued by the  
2 Director under ORS chapter 697.

3 Order Assessing Civil Penalty

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

8 14. Pursuant to ORS 697.832, the Director hereby assesses Networth a CIVIL PENALTY  
9 in the amount of \$60,000 (sixty thousand dollars) as follows:

10 A. A CIVIL PENALTY of \$20,000 (twenty thousand dollars) for four violations of the  
11 registration provisions of ORS 697.612(2)(d) by engaging in the business of performing debt  
12 management services without being registered with the Director pursuant to ORS chapter 697;

13 B. A CIVIL PENALTY of \$20,000 (twenty thousand dollars) for four violations of  
14 performing debt management services without first filing a bond as required by ORS chapter  
15 697; and

16 C. A CIVIL PENALTY of \$20,000 (twenty thousand dollars) for four violations of ORS  
17 697.692(1)(d) by charging a monthly fee in excess of \$65.

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

20 IT IS SO ORDERED.

21 Dated this 3rd day of October, 2011 at Salem, Oregon,

22 NUNC PRO TUNC September 6, 2011.

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**NOTICE OF RIGHT TO APPEAL**

You are entitled to seek judicial review of this order. Judicial review may be obtained by filing a petition for review with the Oregon Court of Appeals within 60 (sixty) days from the service of this final order. Judicial review is pursuant to the provisions of ORS 183.482.

//  
//  
//

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

