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:

Global Credit Management, LLC,
Global Credit Management Inc.,
Alexander V. Knyazev and
Marc Milo Johnson,

Respondents.

CA-06-0040-1
CA-06-0040-2
CA-06-0040-3

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY,
ORDER IMPOSING PERMANENT BAR,
and
CONSENT TO ENTRY OF ORDER

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Global Credit Management LLC, Global Credit Management Inc., Alexander V. Knyazev, and Marc Milo Johnson and determined that Global Credit Management LLC, Global Credit Management Inc., Alexander V. Knyazev, and Marc Milo Johnson engaged in certain business activities in violation of laws governing collection agencies in Oregon, Oregon Revised Statutes 697.005 through 697.115, and Oregon Administrative Rules Chapter 441, Division 810 (hereinafter, the “Oregon Collection Agency Law”); and

WHEREAS Global Credit Management LLC, Global Credit Management Inc., Alexander V. Knyazev, and Marc Milo Johnson, wish to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order, Global Credit Management LLC, Global Credit Management Inc., Alexander V. Knyazev, and Marc Milo Johnson hereby CONSENT to entry of this Order to Cease and Desist, Order Assessing Civil Penalty, Order Imposing Permanent Bar, and Consent to Entry of Order (“Consent Order”), upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.
FINDINGS OF FACT

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

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

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

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

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

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

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


15. “Debtor B” sent Global Credit a check in the amount of $1,750.00 that cleared the bank
on March 23, 2005 to pay a debt owed to “Business B”.

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

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


CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

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

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

22. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.058(3) by commingling the moneys of assignors with other funds when Global Credit deposited assignor funds to bank accounts from which it paid operating and other expenses.
23. Global Credit, Alexander V. Knyazev and Marc Milo Johnson violated ORS 697.058(6) each time it failed to pay “Business A” and “Business B” the funds collected from “Debtor A”, “Debtor B”, and “Debtor C” due to “Business A” and “Business B” within 30 days of the close of the calendar or fiscal month in which those assigned debts were collected.

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

ORDER

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

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

27. The Director agrees to SUSPEND the civil penalty assessed herein provided that Knyazev and Johnson comply with the victim restitution payment terms in the disposition of the following criminal cases, United States of America v. Marc Milo Johnson, and United States of America v. Alexander Knyazev, U.S. District Court for the District of Oregon, #CR-07-380-KI, and as well all terms of this Consent Order. In the event Knyazev or Johnson fails to comply with the aforesaid restitution payment terms, and is found to be in violation of those terms by the U.S. District Court for the District of Oregon, or violates any term of this Consent Order, the entire CIVIL PENALTY will become immediately due and payable. When Knyazev and Johnson have made all payments required by the aforesaid restitution payment terms, the CIVIL PENALTY assessed herein will be deemed WAIVED.
28. The Director hereby **ORDERS** that Marc Milo Johnson and Alexander V. Knyazev are permanently **BARRED** from, and may not own, operate or be employed by any business required to register or obtain a license from the Oregon Division of Finance and Corporate Securities, which includes, but is not limited to any Oregon collection agency, bank, credit union, securities broker-dealer, investment adviser, mortgage broker or banker, consumer finance company, pawnbroker, payday or title lender, debt management company or pre-arranged funeral plans and endowment care company required to be registered or licensed in Oregon.

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

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

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

/s/ David Tatman
David Tatman, Administrator
Division of Finance and Corporate Securities

CONSENT TO ENTRY OF ORDER - GLOBAL CREDIT MANAGEMENT LLC

I, Alexander Knyazev, state that I was President of Global Credit Management LLC (“GCML”), and I am authorized to act on GCML’s behalf; that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that GCML and I have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that GCML voluntarily and without any force or duress, consents to the entry of this Consent Order, expressly waiving any right to a hearing in this 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
Oregon Collection Agency Law or rule or any order issued by the Director; and that GCML will fully comply with the terms and conditions stated herein.

GCML understands that this Consent Order is a public document.

By /s/ Alexander Knyazev
(Signature of officer)

President
(Office Held)

STATE OF Oregon

County of Multnomah

ACKNOWLEDGMENT

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

/s/ Marlene Lou Ann George
Notary Public

CONSENT TO ENTRY OF ORDER - GLOBAL CREDIT MANAGEMENT INC.

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

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

GCMI understands that this Consent Order is a public document.

By /s/Alexander Knyazev______ (Signature of officer)

President
(Office Held)

STATE OF Oregon

County of Multnomah

ACKNOWLEDGMENT

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

/s/ Karen Bonifacio
Notary Public

CONSENT TO ENTRY OF ORDER - MARC MILO JOHNSON

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

I understand that this Consent Order is a public document.

By /s/ Marc Milo Johnson
Marc Milo Johnson

STATE OF Louisiana
Parish of Orleans

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

/s/ W. Richard House Jr.
Notary Public

CONSENT TO ENTRY OF ORDER - ALEXANDER V. KNAYEVE

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

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

I understand that this Consent Order is a public document.

By /s/ Alexander Knyazev
Alexander V. Knyazev

STATE OF Oregon
County of Multnomah

SUBSCRIBED AND SWORN TO before me by Alexander Knyazev, this 15th day of March, 2012.

/s/ Marlene Lou Ann George
Notary Public