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2 **STATE OF CALIFORNIA**
3 **BUSINESS, TRANSPORTATION AND HOUSING AGENCY**
4 **DEPARTMENT OF CORPORATIONS**

5 TO: HARBOUR CREDIT COUNSELING SERVICES, INC.
6 doing business as HARBOUR CREDIT MANAGEMENT and HCCS, INC.
7 Ray E. Nofsinger
8 149 Business Park Drive
9 Virginia Beach, Virginia 23462

10 **DESIST AND REFRAIN ORDER**

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12 The California Corporations Commissioner finds that:

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14 1. HARBOUR CREDIT COUNSELING SERVICES, INC. does business as
15 HCCS, Inc. and HARBOUR CREDIT MANAGEMENT (hereinafter HARBOUR CREDIT
16 MANAGEMENT). HARBOUR CREDIT MANAGEMENT has a toll free phone number (800)
17 40 DEBTS/ (800) 403-3287 and an Internet web site at www.40debts.org. HARBOUR
18 CREDIT MANAGEMENT, and others working in concert or participation with it, engaged in
19 the following activities in violation of the Check Sellers, Bill Payers and Proraters Law
20 pursuant to the California Financial Code section 12000 et seq.

21 2. HARBOUR CREDIT MANAGEMENT offers its debt management program
22 to California consumers and includes a description of the benefits of its program. These
23 benefits include the convenience of lower monthly payments and lower or elimination of
24 finance charges. HARBOUR CREDIT MANAGEMENT states that its "Debt Management
25 Plan," also referred to in the industry as a "negotiated" plan, involves the intervention by
26 HARBOUR CREDIT MANAGEMENT with a debtor's creditors. HARBOUR CREDIT
27 MANAGEMENT states that "Harbour's non-profit license permits us to obtain special
28 reduced or eliminated finance charges and lower monthly payments . . ." for debtors.

1 3. HARBOUR CREDIT MANAGEMENT's debt management program involves its
2 negotiation of a repayment plan with creditors, whereby HARBOUR CREDIT MANAGEMENT
3 will receive money from the consumer for the purpose of paying a consumer's creditors.

4 4. HARBOUR CREDIT MANAGEMENT charges a set up fee of \$25 to enroll in
5 the program and a maximum monthly fee of \$25.00.

6 5. The Department of Corporations has jurisdiction over and regulates proraters
7 under the Check Sellers, Bill Payers and Proraters Law set forth in California Financial Code
8 section 12000 et seq. California Financial Code section 12200, states:

9 No person shall engage in the business, for compensation, of
10 selling checks, drafts, money orders, or other commercial
11 paper serving the same purpose, or of receiving money as
12 agent of an obligor for the purpose of paying bills, invoices, or
13 accounts of such obligor, or acting as a prorater, nor shall any
14 person, without direct compensation and not as an authorized
15 agent for a utility company, accept money for the purpose of
16 forwarding it to others in payment of utility bills, without first
17 obtaining a license from the commissioner.

14 6. The California Corporations Commissioner has not licensed HARBOUR
15 CREDIT MANAGEMENT in this State to act as a check seller, bill payer or prorater.

16 7. Members of the public have provided funds to HARBOUR CREDIT
17 MANAGEMENT based upon assurances and representations that HARBOUR
18 CREDIT MANAGEMENT will assist them in reducing their debts and negotiate with
19 their creditors and distribute payments to creditors. HARBOUR CREDIT
20 MANAGEMENT receives money from debtors for the purpose of paying the
21 accounts of the debtors.

22 8. Based upon the foregoing findings, the California Corporations
23 Commissioner is of the opinion that HARBOUR CREDIT MANAGEMENT engaged in
24 the business of check selling, bill paying and prorating as defined in the Check Sellers,
25 Bill Payers and Proraters Law without a license from the California Corporations
26 Commissioner.

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Pursuant to Financial Code section 12103, the California Corporations
Commissioner hereby orders HARBOUR CREDIT COUNSELING SERVICES INC.,
doing business as HCCS, INC. and HARBOUR CREDIT MANAGEMENT, and others
acting in concert or participation with it, to desist and refrain from engaging in the
business as a check seller, bill payer or prorater unless and until it is licensed or
exempt. This Order is necessary in the public interest and for the protection of
consumers.

Dated: November 22, 2002
Los Angeles, California

DEMETRIOS A. BOUTRIS
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Counsel
Enforcement and Legal Services Division