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STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

TO: Boris Isaacson  
doing business as the Debt Payment Club,  
aka the International Debt Payment Club,  
aka the Original World Wide Debt Payment Club,  
a purported "International Association"  
12450 Burbank Boulevard, Suite B  
Valley Village, California 91607

**DESIST AND REFRAIN ORDER**  
(For violations of section 25110 of the Corporations Code and  
section 12200 of the Financial Code )

The California Corporations Commissioner finds that::

1. Boris Isaacson ("Isaacson") is the owner and operator of a business called the Debt Payment Club which is located at 12450 Burbank Boulevard, Suite B, in Valley Village, California 91607. Isaacson uses the title "president."

2. The Debt Payment Club calls itself an "international association" and purports to be a membership organization which enables its members to eliminate their debts. Its advertising states "We can help pay your debts, and ... you don't have to pay us back –

1 ever!" The Debt Payment Club is also known as the International Debt Payment Club and  
2 the Original World Wide Debt Payment Club.

3  
4 3. To take advantage of the purported benefits of the Debt Payment Club, members pay  
5 a one-time membership fee, the amount of which depends upon the amount of debt the  
6 member wishes to pay off. A person with \$10,000 in debt, for example, might be charged  
7 an initial membership fee of \$215. A member seeking payment of \$100,000 in debt might  
8 be charged an initial membership fee of \$2133.

9  
10 5. After paying the one-time membership initiation fee, new members are required to  
11 distribute club literature, post cards, fliers and brochures, each containing the specific  
12 member number of the member distributing the information, in an effort to recruit new club  
13 members. The Debt Payment Club supplies the program literature to members free of  
14 charge, but requires members to pay all postage costs themselves.

15  
16 6. When new members pay their one-time membership fees to join the Debt Payment  
17 Club, half of the one-time membership fee of the new member is purportedly deposited to a  
18 non-interest bearing account at the Debt Payment Club for the member whose number  
19 appeared on the literature that attracted the new member. Every month each member can  
20 supposedly call the Debt Payment Club, check his or her "balance" and tell the Debt  
21 Payment Club what bills to pay from that amount. The Club is then supposed to pay the  
22 designated bills.

23  
24 7. The remainder of the one-time membership fee is retained by the Debt Payment  
25 Club.

1 8. The Debt Payment Club never gives money directly to its members. Rather, the Club  
2 promises to mail money from members' "accounts" directly to the creditors designated by  
3 the member.

4  
5 9. Prospective new members of the Debt Payment Club are told that the more members  
6 that join the more money they will make, and that their success depends on getting the  
7 information out to places where people will see it and call and join the club.

8  
9 10. In sum, the Debt Payment Club promises a program that to provide members access  
10 to funds which will enable them to eliminate their debts, but actually operates a scheme in  
11 which a portion of the membership fee of each new member is used to pay off debts of older  
12 members. In other words, the Debt Payment Club operates as a pyramid scheme, in which  
13 participants' efforts are focused on recruiting others to join the scheme, benefits to existing  
14 members are dependent upon their recruiting of new members, and benefits to existing  
15 members accrue at the expense of new members.

16  
17 11. The Department of Corporations has not issued any permit, license or other form of  
18 authorization, approval or qualification to allow any person to offer and sell membership  
19 interests in the Debt Payment Club in the state of California.

20  
21 Based upon the foregoing findings, the California Corporations Commissioner is of  
22 the opinion that memberships in the Debt Payment Club are investment contracts which  
23 constitute securities subject to qualification under the California Corporate Securities Law of  
24 1968 and which have been and are being offered and sold without being qualified. The  
25 California Corporations Commissioner is of the further opinion that the Debt Payment Club  
26 and Boris Isaacson are engaged in the business of a check seller and prorater as defined in  
27 Financial Code sections 12002 and 12002.1, provisions of the Check Sellers, Bill Payers  
28 and Proraters Law, without a license as required by Financial Code section 12200.

1 Therefore, pursuant to Corporations Code section 25532, Boris Isaacson and the Debt  
2 Payment Club, also known as the International Debt Payment Club and the Original World  
3 Wide Debt Payment Club are hereby ordered to desist and refrain from the further offer or  
4 sale in the State of California of memberships in the Debt Payment Club Plan unless and  
5 until qualification has been made under the California Securities Law or until evidence is  
6 offered pursuant to Corporations Code section 25163 to establish that the offer or sale of  
7 such memberships is exempt from the qualification requirement. Furthermore, pursuant to  
8 Financial Code section 12103, Boris Isaacson and the Debt Payment Club, also known as  
9 the International Debt Payment Club and the Original World Wide Debt Payment Club, are  
10 hereby ordered to desist and refrain from engaging in business as a check seller as defined  
11 in Financial Code section 12002 unless and until they have first obtained a license from the  
12 California Corporations Commissioner as required by Financial Code section 12200, or until  
13 evidence is offered pursuant to Financial Code section 12101.5 to establish that their  
14 activities are exempt from the license requirement. This Order is necessary, in the public  
15 interest, for the protection of investors and consistent with the purposes, policies, and  
16 provisions of the Corporate Securities Law of 1968.

17  
18 Dated: May 31, 2002

19 Sacramento, California

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21 DEMETRIOS A. BOUTRIS  
22 California Corporations Commissioner

23  
24 By \_\_\_\_\_  
25 VIRGINIA JO DUNLAP  
26 Acting Supervising Counsel  
27 Enforcement and Legal Services  
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