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State orders New Jersey debt consolidating business to cease and desist, assesses \$150,000 fine

Oregon small-business owner filed complaint regarding Corporate Turnaround

(Salem) — The Oregon Department of Consumer and Business Services issued a cease-and-desist order and assessed a \$150,000 fine against Commercial Credit Counseling Services, Inc., doing business as Corporate Turnaround, for violations of an Oregon law regulating debt consolidating agencies.

Corporate Turnaround, which operates from Paramus, N.J., offered “debt restructuring” services to small businesses in Oregon. In exchange for fees, Corporate Turnaround offered to negotiate with a client’s creditors, collection agencies, and attorneys to settle business debts. Between 2002 and 2007, Corporate Turnaround collected a total of more than \$138,000 in fees from at least 15 Oregon clients. After receiving a complaint from the owner of an Oregon small business, the department’s Division of Finance and Corporate Securities found that the company was operating without the required registrations, made improper contracts or agreements with Oregon clients, charged Oregon clients excess and unauthorized fees, and received fees from Oregon clients without first providing the required written fee disclosures.

Under the terms of a settlement, the department agreed to suspend most of the \$150,000 fine if Corporate Turnaround refunds 100 percent of fees to the Oregon clients by the end of March 2009. The settlement also bars Corporate Turnaround from applying for or obtaining a financial services license or registration issued by the department until after the end of March 2011, effectively barring Corporate Turnaround from doing business in Oregon until then.

“While we recognize that some small-business owners and consumers are struggling with debt, we encourage them to do their homework before hiring someone else to manage their debt for them,” said David Tatman, administrator of the Division of Finance and Corporate Securities. “Those offering debt-consolidation services to Oregon clients must register and comply with Oregon laws.”

DFCS can help consumers find licensing, registration, and enforcement history information on individuals and companies offering financial services. You can call DFCS toll-free (866) 814-9710, (503) 378-4140 in Salem, or go to www.dfcs.oregon.gov

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, encourages a wide range of financial services, products and information for Oregonians, delivered in a safe, sound, equitable and fraud-free manner. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbcs.oregon.gov.