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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