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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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