

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

4 TO: Rafael Quispe, President  
5 Roger Segura, Manager  
6 Debt Terminator Financial Services  
7 Debt Terminator  
8 DTFS  
9 Debt Exterminator  
10 Debt Management Services  
11 26208 Industrial Blvd.  
12 Hayward, CA 94545  
13 and  
14 P.O. Box 56657  
15 Hayward, CA 94545

16 **DESIST AND REFRAIN ORDER**  
17 **(For violations of section 12200 of the Financial Code)**

18 The California Corporations Commissioner (“Commissioner”) finds that:

19 1. Debt Terminator Financial Services also known as Debt Terminator and DTFS is  
20 a for-profit entity which was incorporated in California in March 2000, and which was suspended  
21 by the California Secretary of State’s Office in September 2003. The documents filed with the  
22 California Secretary of State’s Office show its offices located at 26208 Industrial Boulevard,  
23 Hayward, California. The company also uses as a mailing address U.S. Post Office Box 56657.

24 2. During relevant times Rafael Quispe (“Quispe”) was the President of Debt Terminator  
25 Financial Services, Debt Terminator and DTFS. Roger Segura (“Segura”), who used the title “Debt  
26 Mediation Specialist,” acted as the company manager of Debt Terminator Financial Services, Debt  
27 Terminator and DTFS.

28 3. Quispe previously operated under other business names that include: “Debt Exterminator”  
and “Debt Management Services.” Quispe represented the Debt Exterminator and Debt Management  
Services as a debt consolidation and mediation business that could assist debtors to eliminate or lower  
the interest payments by negotiating with a consumer’s creditors. In 2000 Quispe informed consumers  
that they could transfer their accounts from Debt Exterminator and Debt Management Services to a  
new company he was forming by the name of Debt Terminator Financial Services.

1           4. Quispe and Segura represent Debt Terminator Financial Services, Debt Terminator,  
2 DTFS, Debt Exterminator and Debt Management Services as providing services to consumers in  
3 dealing with their creditors, including establishing debt plans with the creditors of consumers.

4           5. The above-named entities and individuals, working in concert or in participation among  
5 themselves or with others, engaged in the following activities in violation of the Check Sellers, Bill  
6 Payers and Proraters Law pursuant to the California Financial Code section 12000 et seq. Quispe,  
7 Segura, Debt Terminator Financial Services, Debt Terminator, DTFS, Debt Exterminator and Debt  
8 Management Services hereinafter will be referred to as (“Debt Terminator”).

9           6. Debt Terminator solicits California consumers and specifically targets individuals in the  
10 Hispanic community who speak little or no English, by means of “press releases,” their toll free  
11 telephone number, 1(800) 445-9505 and their Internet Website at [www.debt-terminator.us](http://www.debt-terminator.us).

12           7. Debt Terminator offers its services to consumers which includes mediation of “the  
13 settlement of creditors claims” for each Debt Terminator client. In exchange for these services the  
14 Debt Terminator requires a client to pay an upfront nonrefundable “retainer fee” of several thousand  
15 dollars and a back-end “settlement fee” of 25% of the amount by which a consumer’s creditor claim  
16 is reduced. Debt Terminator states that the cost “of all legal preparation,” except the court filing fee,  
17 “to file an answer of motion to set aside default” for a consumer is included in its “retainer fee.”

18           8. Debt Terminator also represents to consumers that its additional services, such as  
19 “Insurance & Securities Programs may be recommended” to consumers. Rafael Quispe, Roger  
20 Segura, Debt Terminator Financial Services, Debt Terminator, DTFS, Debt Exterminator and Debt  
21 Management Services have not been licensed by the Commissioner to act as a securities broker-  
22 dealer or investment adviser in this State.

23           9. The settlements arranged by the Debt Terminator requires a client to make monthly  
24 payments to them, which are placed into a “joint” savings account or money market account, which  
25 over time accumulates funds which can be used to make a lump sum settlement to a consumer’s  
26 respective creditors. Debt Terminator states that the “joint” savings or money market account is held  
27 in its name and any withdrawals require two signatures, one from an officer of Debt Terminator and  
28 the other from the consumer.

1           10. Debt Terminator represents that its services include negotiating with a consumer's  
2 creditors to settle debts for less than the total amount that consumer's creditors claim is owed.

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

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

13           10. Financial Code section 12002, states:

14                   A check seller is a person: (a) who, for compensation, engages, in whole or  
15 in part, in the business of selling checks, drafts, money orders, or other  
16 commercial paper serving the same purpose, or receiving money as agent of  
17 an obligor for the purpose of paying to a person other than the check seller  
18 bills, invoices, or accounts of such obligor, or (b) who, without direct  
19 compensation and not as an authorized agent for a utility company, accepts  
20 money for the purpose of forwarding it to others in payment of utility bills.

21           11. Financial Code section 12002.1, states:

22                   A prorater is a person who, for compensation, engages in whole or in part in  
23 the business of receiving money or evidences thereof for the purpose of  
24 distributing the money or evidences thereof among creditors in payment or  
25 partial payment of the obligations of the debtor.

26           12. The California Corporations Commissioner has not licensed Rafael Quispe, Roger  
27 Segura, Debt Terminator Financial Services, Debt Terminator, DTFS, Debt Exterminator and  
28 Debt Management Services in this State to act as a bill payer or prorater.

          Based upon the foregoing findings, the California Corporations Commissioner is of the  
opinion that Rafael Quispe, Roger Segura, Debt Terminator Financial Services, Debt Terminator,  
DTFS, Debt Exterminator and Debt Management Services, in concert together or in participation  
with others, have been engaging in business as a bill payer or prorater as defined in the Check  
Sellers, Bill Payers and Proraters Law without a license from the Commissioner.

1 Pursuant to Financial Code section 12103, the California Corporations Commissioner  
2 hereby orders Rafael Quispe, Roger Segura, Debt Terminator Financial Services, Debt Terminator,  
3 DTFS, Debt Exterminator and Debt Management Services, in concert together or in participation with  
4 themselves or others, to desist and refrain from engaging in business as a bill payer and prorater  
5 unless and until they are licensed or exempt. This Order is necessary, in the public interest, and for  
6 the protection of consumers.

7 Dated: April 3, 2006  
8 Los Angeles, California

9 WAYNE STRUMPFER  
10 Acting California Corporations Commissioner

11 By \_\_\_\_\_  
12 ALAN S. WEINGER  
13 Acting Deputy Commissioner  
14 Enforcement Division  
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