

ORDER NO. 2009-050

IN THE MATTER OF:	§	BEFORE THE BANKING
CHILD SUPPORT SERVICES, INC.,	§	
A NEVADA CORPORATION	§	
AND	§	
CHILD SUPPORT SERVICES OF	§	COMMISSIONER OF TEXAS
ATLANTA, INC.,	§	
A GEORGIA CORPORATION	§	
AND	§	
STUART CLAY COLE	§	AUSTIN, TRAVIS COUNTY, TEXAS

Emergency Cease and Desist Order

On this day, the matter of Child Support Services, Inc. ("CSS"), a Nevada corporation; Child Support Services of Atlanta, Inc. ("CSS of Atlanta"), a Georgia corporation; and Stuart Clay Cole ("Cole"), a resident of Florida, was submitted to me, Charles G. Cooper, Banking Commissioner of the State of Texas, for consideration and action.

I. Facts

Based upon the records of the Texas Department of Banking ("Department"), the Department's investigation, and other credible evidence, I find that:

1. CSS is a Nevada corporation. CSS of Atlanta is a Georgia corporation. Cole is an individual who is believed to be an owner and manager of CSS and CSS of Atlanta.
2. On February 4, 2009, a resident of Houston, Texas signed a contract with CSS to collect delinquent child support. In paragraph 7 of the contract, the other party to the contract is referred to as CSS of Atlanta. She returned the application to CSS, and received three checks from CSS in July and August, 2009, but she has not received any further checks. She has attempted to call CSS but its number has been disconnected. On September 28, 2009, the resident called the Department to complain about CSS. The Department reviewed the documents supplied by the resident and determined that CSS was a Nevada corporation and was not registered with the Department as a private child support enforcement agency ("PCSEA").
3. On October 13, 2009, one of the Department's attorneys wrote via first class and registered mail to the president of CSS at the address on file with the Nevada Secretary of State and demanded that CSS register with the Department as a PCSEA. On October 23, 2009, the Department's first class letter was received back at the Department, with the notation

“refused.” On October 26, 2009, the Department’s certified letter was received back at the Department, with the notation “refused.”

4. The Department then investigated CSS and discovered that the United States Postal Service (“USPS”) has a proceeding pending against CSS of Atlanta and “Child Support Services” and Cole for violating 39 U.S.C. § 3005 by conducting a scheme for obtaining money through the mail by false representations. In support of that proceeding, the USPS obtained a preliminary injunction on September 16, 2009, in the case of United States Postal Service v. Child Support Services of Atlanta, Inc. in the United States District Court for the Middle District of Georgia. The preliminary injunction directs the USPS to detain the mail of CSS of Atlanta addressed to fourteen post office boxes in fourteen different states. One of those post office boxes is the one listed in the resident’s contract with CSS, P.O. Box 1712, Carson City, Nevada 89702.
5. In support of its application for a preliminary injunction, the USPS submitted a twenty-two page affidavit from a postal inspector regarding her investigation (the “Affidavit”). The investigator interviewed several current and former employees of CSS of Atlanta. One way CSS of Atlanta solicits clients is by setting up mall kiosks. One employee who was still employed by CSS of Atlanta stated that CSS of Atlanta was looking into setting up mall kiosks in Texas to gain new clients.
6. The Department's records reflect that CSS, CSS of Atlanta, and Cole are not registered as a PCSEA with the State of Texas.
7. The Department’s investigation reveals that:
 - a. CSS has a registered agent, Silver Shield Services, Inc., P.O. Box 3540, Silver Springs, Nevada 89429. CSS has no known office or street address in Nevada.
 - b. CSS of Atlanta has a registered agent, Michael Canty, at 408 Force Street, Valdosta, Georgia 31601. The Affidavit states that Mr. Canty is deceased, but the records of the Georgia Secretary of State still list him as the registered agent. CSS of Atlanta’s last known physical address is 206 Lakes Blvd., Lake Park, Georgia, 31636-5006. CSS of Atlanta has also received mail at 3645 Market Place Blvd., Suite 130, Atlanta, Georgia 30344-5748.

- c. Cole's last known address is 2651 E. Vina Del Mar Blvd., St. Pete Beach, Florida 33706.

Pleadings filed in the proceeding in the Georgia federal district court state that he has an email address of _____.

II. Conclusions

Based upon the facts set out above, I find that:

1. CSS, CSS of Atlanta, and Cole are engaging in the business of child support enforcement in Texas without being registered, in violation of Texas Finance Code § 396.101.
2. Without intervention, CSS, CSS of Atlanta, and Cole are likely to continue to engage in the business of child support enforcement in Texas in violation of Texas Finance Code § 396.101.
3. The continuation of this unregistered child support enforcement business in Texas by CSS, CSS of Atlanta, and Cole is fraudulent or threatens immediate and irreparable public harm; and justifies the issuance of an emergency cease and desist order.

III. Order

Now, Therefore, under the authority vested in me by Texas Finance Code, § 35.208, I ORDER Child Support Services, Inc.; Child Support Services of Atlanta, Inc; Stuart Clay Cole; and all principals, agents, employees and representatives of any or all of them, to immediately CEASE AND DESIST from:

1. representing in any manner that Child Support Services, Inc., Child Support Services of Atlanta, Inc, and/or Stuart Clay Cole are legally authorized by the State of Texas to engage in the business of child support enforcement in the State of Texas, unless and until Child Support Services, Inc., Child Support Services of Atlanta, Inc, and/or Stuart Clay Cole, are registered to do so with the Texas Department of Banking; and
2. engaging in the business of child support enforcement in Texas, unless authorized to do so under the laws of the State of Texas.

IV. Effective Date and Right to Hearing

This Order is effective immediately. The Order will become final and nonappealable as to Child Support Services, Inc., Child Support Services of Atlanta, Inc, and Stuart Clay Cole if no hearing is requested by the respective parties in accordance with Texas Finance Code, § 35.208. Under § 35.208, a party may request a hearing on the issuance of an emergency cease and desist order by submitting a written request for hearing, directed to me and received by the Department no later

than the 11th day after the date the order is served. The request must state the grounds for setting aside or modifying the order.

V. Service

This Order is served on October 30, 2009 as follows:

1. On Child Support Services, Inc. by certified mail, return receipt requested, and by first class mail, to its registered agent, Silver Shield Services, Inc., P.O. Box 3540, Silver Springs, Nevada 89429.
2. On Child Support Services of Atlanta, Inc. by certified mail, return receipt requested, and by first class mail, to:
 - a. its registered agent, Michael Canty, 408 Force Street, Valdosta, Georgia 31601;
 - b. its last known physical address, 206 Lakes Blvd., Lake Park, Georgia, 31636; and
 - c. its mailing address at 3645 Market Place Blvd., Suite 130, Atlanta, Georgia 30344-5748.
3. On Stuart Clay Cole:
 - a. by certified mail, return receipt requested, and by first class mail, to his last known address at 2651 E. Vina Del Mar Blvd., St. Pete Beach, Florida 33706; and
 - b. as an attachment to an email to his email address at _____.

Signed at Austin, Travis County, Texas, this 20th day of October, 2009, at 10:30 o'clock a.m.

/s/ Charles G. Cooper
Charles G. Cooper
Texas Banking Commissioner