5. Make a concientious effort to follow every program to a successful conclusion.
6. Present the services on its own merits, permit no misleading advertising and avoid any encouragement of Bankruptcy.
7. Make no payments or reward of any nature for referral of potential customers.
8. Strive to preserve friendly relations between Debtor and Creditor and to re-establish credit.
9. Distribute money received for creditors promptly and to the best interest of the customer.
10. Protect in common the best interests and the dignity of Credit Counseling and be vigilant in the correction of abuses wherever found.

AMERICAN ASSOCIATION OF CREDIT COUNSELORS.

Mr. SISK. Any questions?

Mr. WHITENER. Mr. Rabinowitch, Mr. Kneipp made reference to the lack of qualifications of a person like you, a non-lawyer, to advise a client on the legality of a claim.

Mr. RABINOWITCH. This has been a double-edged sword that everybody used against all of us in the field over the years. If I was an attorney and knew the answer and reviewed every document coming in, without any question I would be practicing law. If I don't I am being accused of depriving the man of that opportunity.

All I can say is we have reviewed this in California and it is an acknowledged fact the individual coming to us recognizes his obligations and, quite frankly, if we are concerned about some illegitimate charges there are legal aid organizations and others that will help and some attorneys that will determine it. We cannot determine every obligation. If he says he owes Sears and Roebuck twelve bucks and it turns out to be $12.32 because of service charges, I don't believe the responsibility is on us to determine the legality. If there is a question, yes, we have a moral obligation to see that he gets the service and care and attention he needs, the same as if he is going to a quack or an unlicensed psychiatrist. This is why the Bar Association joined us in drafting our bill in 1957. In fact, they opposed us. They appointed Archibold Mull to appear in opposition to it and it finally resulted in certain amendments. You have a Member of Congress who in 1957 opposed me and authored an outlaw bill in California, and just the other night I had the opportunity of meeting him—it is Gus Hawkins—and he said he wanted to thank me for showing him he was wrong and there was a way of regulating the business. This was one of the greatest sources of satisfaction I ever had.

Mr. SISK. I would like to direct your attention to the draft of a bill headed "Suggested Language For a Bill Licensing and Regulating the Business of Credit Counselling and Financing Management" which was forwarded to me. Do I understand that this is in accordance with existing California law?

Mr. RABINOWITCH. There are some slight modifications strengthening certain areas and affecting the fee structure. Our fee structure in California is lower than suggested there. It is 12 percent on the first $3,000, 11 percent on the next $2,000, and 10 percent on the next $5,000. This is a straight 15 percent of the money disbursed to creditors, not on the total obligation. It is earned as we distribute the funds to the creditors. But it is almost identical to that in California in every other respect.