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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
6 **ENFORCEMENT SECTION**
7 **BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS**
8 **SERVICES**

9 **In the Matter of:**
10 **HORIZON FINANCIAL SERVICES**
11 **LLC and SHEA WHEELER.**
12
13 **Applicants.**

14 **DC-09-0073**
15 **ORDER TO CEASE AND DESIST,**
16 **ASSESSING CIVIL PENALTY**
17 **And**
18 **CONSENT TO ENTRY OF ORDER**

19 **WHEREAS** the Director of the Department of Consumer and Business Services
20 (hereinafter, "Director") has conducted an investigation of certain business activities conducted
21 by Horizon Financial Services LLC and Shea Wheeler (hereinafter "Respondents") and has
22 determined that Respondents violated the Oregon Debt Consolidating Agencies Law,¹ Chapter
23 697.602 et seq. of the Oregon Revised Statutes (hereinafter cited as "the Oregon DCA); and

24 **WHEREAS** Respondents wishes to resolve and settle this matter with the **DIRECTOR**;
25 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on this
Order, Respondents hereby **CONSENT** to entry of this Order to Cease and Desist, Assessing
Civil Penalty, and Consent to Entry of Order upon the Director's Findings of Fact and
Conclusions of Law as stated hereafter.

26 **FINDINGS OF FACT**

27 The Director **FINDS** that:

- 28 1. Horizon Financial Services, LLC of Arizona, (hereinafter "Horizon") 5062 N 19th
29 Avenue Suite 104, Phoenix, Arizona 85015, first registered as a foreign limited liability company

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¹ Amended by Or Laws 2009, ch 604 § 2, effective January 1, 2010. (Amendment deleted the phrase "debt consolidating agency" in favor of the phrase "debt management service provider.")

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Labor and Industries Building
350 Winter Street NE, Suite 410
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1 with the Oregon Secretary of State's office on October 27, 2006, registration number 389250-95.
2 Shea Wheeler is listed as the manager and registered agent.

3 2. Shea Wheeler (hereinafter "Wheeler") lists her mailing address as 1380 Lored
4 Drive, Roseburg, Oregon 97470.

5 3. As of August 17, 2009, Horizon maintained a website, www.horizondebt.com. The
6 website advertised that Horizon was "a national Debt elimination company that specializes in
7 drastically reducing unsecured debts." The website listed 1380 Lored Drive, Roseburg,
8 Oregon 97470 as Horizon's mailing address.

9 4. Respondents have never been registered as a Debt Consolidation Agency under
10 Oregon law.

11 5. Respondents never maintained a client trust account in Oregon.

12 6. Respondents in the regular course of business, through their website, solicited,
13 offered to take, or took income from six separate debtors for the purpose of paying the debtors'
14 creditors.

15 7. Respondents entered into at least six debt consolidation contracts. In each instance,
16 Respondents charged a set-up fee of \$299.

17 8. Respondents entered into at least six debt consolidation contracts. In each instance
18 Respondents charged a settlement fee of 25%.

19 9. In at least thirty-six separate instances, Respondents commingled client wages with
20 their own personal property. Respondents directed each of the six clients to deposit their wages
21 into Respondent's Oregon bank account with at least six transactions per client.

22 10. In at least six separate instances, Respondents appropriated client funds to their
23 own personal benefit.

24 CONCLUSIONS OF LAW

25 The Director **CONCLUDES** that:

1. Respondents each operated as a debt consolidation agency in the state of Oregon



1 without first being registered in violation of ORS 697.612² by taking income from six separate
2 clients for the purpose of paying the clients' creditors.

3 2. Respondents each violated ORS 697.662(1)(g)³ at least thirty-six times by
4 commingling the income of six clients with the property of the debt consolidating agency on an
5 average of at least six transactions per client.

6 3. Respondents improperly handled client funds by failing to maintain a client trust
7 account in the state of Oregon in violation of ORS 697.682(1)(a).⁴

8 4. Respondents charged six clients an excessive settlement fee of 25% in violation of
9 ORS 697.692(1)(b).⁵

10 5. Respondents charged six clients an excessive set-up fee in violation of ORS
11 697.692(1)(a).⁶

12 ORDER

13 The Director, pursuant to ORS 697.825, hereby **ORDERS** Respondents to **CEASE AND**
14 **DESIST** violating ORS 697.602 et seq. and the accompanying Oregon Administrative Rules
15 441-910-0000 through 441-910-0120.

16 Until further Order of the Director, Respondents are hereby **BARRED** from applying for,
17 holding, or renewing any license or registration required by the Director in Oregon, including but
18 not limited to debt management service provider, securities, insurance, consumer finance,
19 collections, or mortgage lending.

20 The Director further **ORDERS** Respondents to pay a **\$55,000 CIVIL PENALTY**
21 calculated as follows: 1) six violations of ORS 697.612; 2) 36 violations of ORS 697.662(1)(g);
22 3) one violation of ORS 697.682(1)(a); 4) six violations of ORS 697.692.(1)(b); six violations of

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24 _____
25 ² Amended in 2009 by House Bill 2191 c.604 §2; c.863 §41.

³ Amended by Or Laws 2009, ch 604 § 6, effective January 1, 2010, changes do not affect this order.

⁴ Amended by Or Laws 2009, ch 604 § 8, effective January 1, 2010, changes do not affect this order.

⁵ Amended by Or Laws 2009, ch 604 § 9, effective January 1, 2010, changes do not affect this order.

⁶ *Id.*



1 ORS 697.692(1)(a). Each violation is assessed a \$1,000 civil penalty. The Respondents are
2 jointly and severally liable for payment of the civil penalty. The Director hereby suspends the
3 payment of this civil penalty for a period of up to five years so long as Respondents comply with
4 the terms of this Order; including making payment in full to all clients listed on Exhibit A.

5 In settlement of this matter, Respondents agree to make full restitution to all clients listed
6 on Exhibit A within five years of the date of this order. Respondents are fully and completely
7 responsible for making payments directly to each individual listed on exhibit A. At a minimum,
8 Respondents shall make annual payments equal to 20% of the total outstanding restitution owed
9 as of the date of this order or approximately \$6,745 per year. Respondents shall distribute
10 \$4,500 toward the payment of restitution within thirty days of the date of this order.

11 Respondents bear the burden of documenting all payments made to the individuals listed on
12 exhibit A. For the next five years, on the anniversary of the entry of this order, Respondents
13 shall file documents sufficient to demonstrate to the Director that the payments required by this
14 order were made in the preceding year. Upon making full repayment to all individuals listed on
15 exhibit A, Respondents may provide the Director with proof of payment and request that the
16 Civil Penalty imposed herein be permanently suspended. Failure to fully comply with the terms
17 of this Order, including a failure to make full and complete payment to each customer listed on
18 Exhibit A, will cause the entire suspended civil penalty to become immediately due and owing.
19 All other provisions of this order will remain in full force and affect.

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1 The date of this order is the day the Director or Director's designee signs the order. The
2 entry of this Order in no way limits further remedies which may be available to the Director
3 under Oregon law.

4 Dated this 25th day of May, 2010, at Salem, Oregon.

5
6 CORY STREISINGER, Director
7 Department of Consumer and Business Services

8 /s/ David Tatman
9 David C. Tatman, Administrator
10 Division of Finance and Corporate Securities

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12 Approved as to form:

13 /s/ C. Ed Massey
14 Ed Massey

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CONSENT TO ENTRY OF ORDER

I, Shea Wheeler, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and have been re by counsel in this matter; and desire to resolve and settle this matter with the Director, that I voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon DCA now known as the Debt Management Service Provider Law; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 5th day of May, 2010.

By: /s/ Shea Wheeler
Shea Wheeler

Jessie L. Zohar-Vinje
Notary Public
for the State of: Oregon

My commission expires: March 26, 2012

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