

1
2 **STATE OF OREGON**
3 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
4 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
5 **MORTGAGE LENDING SECTION**

6
7 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
8 **OF CONSUMER AND BUSINESS SERVICES**

9 **In the Matter of:**

DM-12-0074

10
11 **Innovative Capital Solutions and**
12 **Louis Anderson Respondents.**

**Final Order to Cease and Desist and Order
Assessing Civil Penalties Entered by Default**

13 On August 7, 2012, the Director of the Department of Consumer and Business Services
14 for the State of Oregon (hereafter the “Director”), acting by and pursuant to the authority
15 contained in Oregon Revised Statutes (hereinafter “ORS”) ORS 86A.100 et seq. and Oregon
16 Administrative Rules 441-850-0005 through 441-885-0010 (collectively “Oregon Mortgage
17 Lender Law”) and the statutes regulating Oregon debt management services under ORS
18 697.602 to 697.842 and OAR 441-910-0000 through 441-910-0120 issued Administrative
19 Order No. DM-12-0074 - Order to Cease and Desist, Proposed Order Assessing Civil Penalties,
20 and Notice of Right to a Hearing (hereinafter “the Order”) to Innovative Capital Solutions and
21 Louis Anderson.

22 On August 7, 2012, Innovative Capital Solutions and Louis Anderson were duly served
23 with true copies of the Order by regular, first-class mail and by certified mail, postage prepaid,
24 and addressed to the following addresses: Innovative Capital Solutions, 9891 Irvine Center
25 Drive, Suite 200, Irvine California 92618 and to Louis Anderson, Innovative Capital Solutions,
26 9891 Irvine Center Drive, Suite 200, Irvine California 92618. A green card evidencing receipt
of the orders sent by certified mail to Innovative Capital Solutions and Louis Anderson was
signed and returned on August 10, 2012. Neither Innovative Capital Solutions nor Louis

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 Anderson have made a written request for a contested case hearing in this matter, and the time
2 to do so has expired.

3 **NOW THEREFORE**, the Director hereby issues the following Findings of Fact,
4 Conclusions of Law, and Final Order:

5 **FINDINGS OF FACT**

6 The Director FINDS that:

- 7 1. At all times material to this Order, Innovative Capital Solutions (hereinafter “ICS”) has
8 reported a principal place of business of 9891 Irvine Center Drive, Suite 200, Irvine California.
- 9 2. ICS has never been registered with the Oregon Secretary of State to do business in Oregon.
- 10 3. Neither ICS nor Louis Anderson (hereinafter “Anderson”) have ever held a license to engage
11 in residential mortgage transactions as a mortgage broker in Oregon and have never been registered to
12 provide debt management services in Oregon.
- 13 4. A search of Oregon State Bar records show that there is not an Oregon licensed attorney by
14 the name of Louis Anderson.
- 15 5. At all times material to this Order, consumer “DB” was an Oregon resident and was party to
16 a home mortgage loan secured by real estate located in Oregon.
- 17 6. In late 2011, DB contacted ICS after hearing the company’s radio commercial offering loan
18 modification services in Oregon.
- 19 7. On or about December 13, 2011, a man identifying himself as “Louis Anderson,” a Senior
20 Case Manager with ICS, offered, for a fee, to assist DB in obtaining a modification of her home
21 mortgage loan that included potentially lowering the payments, reducing the interest rate, and the
22 balance.
- 23 8. The agreement, signed by DB and Anderson on behalf of ICS and dated December 13,
24 2011, represented that, in exchange for a \$995 fee, DB would receive, among other services, a
25 financial interview session with an attorney, a loan modification request letter and loan modification
26 offer review by an attorney, and instructional material - the “Expert Guide to Loan Modification”



1 book and DVD.

2 9. DB paid ICS \$995 on December 13, 2011 for the loan modification services.

3 10. After she submitted her payment, DB attempted to contact ICS and Anderson and has not
4 received a response, loan modification services, a loan modification, or a refund.

5 CONCLUSIONS OF LAW

6 The Director CONCLUDES that:

7 1. ICS and Anderson acted as a “mortgage broker” under ORS 86A.100(5)(a)(C) when
8 ICS and Anderson, for compensation, or in the expectation of compensation, either directly or
9 indirectly made, negotiated, or offered to make or negotiate a modification to the terms and
10 conditions of a mortgage loan.

11 2. ICS and Anderson engaged in “residential mortgage transactions in this state” under
12 ORS 86A.103(2) by acting as a mortgage broker when ICS and Anderson offered to negotiate a
13 modification to the terms and conditions of DB’s residential mortgage loan secured by property
14 located in Oregon.

15 3. ICS and Anderson violated 86A.103(1) by engaging in residential mortgage
16 transactions in Oregon without first obtaining a license as a mortgage broker under ORS
17 86A.095 to 86A.198.

18 4. ICS and Anderson may not rely upon the exclusion from the definition of mortgage
19 broker contained in ORS 86A.100(5)(b) because Anderson is not an attorney licensed or
20 authorized to practice law in Oregon.

21 5. ICS and Anderson may not rely upon the exclusion from registration as a debt
22 management service provider contained in ORS 697.612(3) because Anderson is not an
23 attorney licensed or authorized to practice law in Oregon.

24 6. ICS and Anderson received money or expected to receive money for providing advice,
25 assistance, instruction or instructional material concerning a debt management service,
26 modifying the terms and conditions of an existing loan under ORS 697.602(2)(c), in violation



1 of ORS 697.612(1)(b)(E).

2 7. ICS and Anderson violated ORS 697.692 by accepting or receiving an initial fee of more
3 than \$50 from DB.

4 8. ICS and Anderson knowingly misrepresented to DB that they would provide loan
5 modification services, and then failed to have any further contact with DB, failed to provide
6 loan modification services, and failed to provide a refund in violation of ORS 86A.154(2).

7 **ORDERS**

8 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

9 1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby ORDERS ICS and
10 Anderson, and all entities owned or controlled by ICS and Anderson, to CEASE AND DESIST
11 from violating the Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and debt
12 management service providers, ORS 697.602 to 697.842.

13 2. Pursuant to ORS 86A.992, the Director may assess a CIVIL PENALTY in the amount
14 of not more than \$5,000 per violation against any person who violates or who procures, aids or
15 abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued
16 under ORS 86A.124 or 86A.242. Pursuant to the authority of ORS 697.832, the Director may
17 assess a CIVIL PENALTY in an amount of not more than \$5,000 per violation against any
18 person who violates ORS 697.612 or 697.642 to 697.702, rules adopted under ORS 697.632, or
19 any order issued under ORS 697.825.

20 a. Pursuant to ORS 86A.224(3)(a) and 697.832, the Director hereby
21 ORDERS ICS to pay a CIVIL PENALTY in the amount of \$5,000 for the violation of ORS
22 697.612(1)(unlicensed mortgage broker)/ORS 697.612 (unregistered debt management service
23 provider).

24 b. Pursuant to ORS 86A.224(3)(a) and 697.832, the Director hereby ORDERS
25 Anderson to pay a CIVIL PENALTY in the amount of \$5,000 for the violation of ORS
26 697.612(1)(unlicensed mortgage broker)/ORS 697.612 (unregistered debt management service



1 provider).

2 c. Pursuant to ORS 86A.224(3)(a) and 697.832, the Director hereby ORDERS ICS
3 and Anderson to pay a CIVIL PENALTY, jointly and severally, in the amount of \$10,000.
4 \$5,000 for the violation of ORS 697.692 (unlawful DMSP fees) and \$5,000 for the violation of
5 ORS 86A.154(2) (mortgage fraud).

6 3. Pursuant to ORS 697.718, as ICS and Anderson were required to obtain registration
7 as a debt management service provider under ORS 697.612, ICS and Anderson are liable to
8 consumers who suffer an ascertainable loss of money or property in connection with ICS and
9 Anderson's violation of a provision of ORS 697.652, 697.662, 697.682, 697.692 or 697.

10 The entry of this Order in no way further limits remedies that may be available to the
11 Director under Oregon law.

12 Dated this 7th day of September, 2012.

13 Nunc Pro Tunc August 3, 2012.

14 PATRICK M. ALLEN, Director

15 Department of Consumer and Business Services

16 /s/ David Tatman

17 David C. Tatman, Administrator

18 Division of Finance and Corporate Securities

19 NOTICE: You may be entitled to judicial review of this Order. Judicial review may be
20 obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from
21 the service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the
22 Oregon Court of Appeals.

23

24

25

26