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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES**

In the Matter of:

Legal Loan Review Inc.,

Respondent.

DM-12-0013

**Order to Cease and Desist,
Order Assessing Civil Penalty, and
Consent to Entry of Order**

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”) conducted an investigation of Legal Loan Review Inc. (“Legal Loan Review”), and determined that Legal Loan Review engaged in activities constituting violations of Oregon Revised Statutes (“ORS”) 86A.100 *et seq.* and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (collectively “Oregon Mortgage Lender Laws and Rules”), and ORS 697.602 through 697.842 and OAR 441-910-0000 through 441-910-0120 (collectively “Oregon Debt Management Service Providers Laws and Rules”); and

WHEREAS Legal Loan Review wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this consent order, Legal Loan Review hereby consents to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director finds that:

1. Based on a search of the California Secretary of State (“California SOS”)

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 Corporations' Division website on April 18, 2012, Legal Loan Review is a domestic
2 California corporation (Entity Nbr. C3334210), first registered with the California SOS on
3 November 16, 2010 and active through the date of this search.

4 2. Based on a search of the Oregon Secretary of State ("Oregon SOS") Corporations'
5 Division website on April 18, 2012, as of the date of this search Legal Loan Review is not
6 currently and has not previously been registered as a foreign business corporation with the
7 Oregon SOS.

8 3. As of the date of this Order, Legal Loan Review is not currently and has not
9 previously been licensed with the Department of Consumer and Business Services
10 ("Department") to conduct business as a "mortgage broker", as that term is defined in ORS
11 86A.100(5)(a)(C), in Oregon.

12 4. As of the date of this Order, Legal Loan Review is not currently and has not
13 previously been registered with the Department to provide "debt management services", as
14 that term is defined in ORS 697.602(2)(c), in Oregon.

15 5. In an attachment to an email dated November 17, 2011 from Peter Nguyen, outside
16 counsel for Legal Loan Review, to a representative on the Oregon Division of Finance and
17 Corporate Securities ("Division"), Legal Loan Review indicated that: (1) it has 34 clients that
18 are Oregon residents; (2) it was engaged by its 34 Oregon clients to provide loan modification
19 services; and (3) each client paid advance fees of not less than \$1498.

20 6. For the period continuously from March 2, 2012, and possibly earlier, until April
21 24, 2012, the last date checked, Legal Loan Review has maintained a statement on its website
22 indicated that it is in the process of applying to register as a debt management service provider
23 in the state of Oregon.

24 7. For all times relevant to this matter, the Division has no record of any attempts
25 made by Legal Loan Review to register with the Division as a debt management service
26 provider.



1 8. In an email dated March 2, 2012 from a Division representative to Mr. Nguyen,
2 Legal Loan Review was instructed to revise its website so that the website no longer reads
3 “Legal Loan Review is currently in the process of applying to register as a debt management
4 service provider in the State of Oregon”.

5 9. In an attachment to an email (“April 19 Email”) dated April 19, 2012 from Peter
6 Nguyen to a representative on the Oregon Division of Finance and Corporate Securities
7 (“Division”), Legal Loan Review indicated that: (1) it has 35 clients that are Oregon
8 residents; (2) it was engaged by its 35 Oregon clients to provide loan modification services;
9 and (3) each client paid advance fees of not less than \$2000.

10 10. In other attachments to the April 19 Email, Legal Loan Review provided the
11 Division copies of consulting agreements between Legal Loan Review and consumers
12 whereby Legal Loan Review agreed to provide its clients various loan modification services
13 including but not limited to: (1) drafting and preparation of documents; (2) consultation with
14 client; (3) submission of documents to lenders; (4) confirmation of lenders receipt of
15 documents; (5) lender research; (6) underwriting of case file; (7) collection, review, and
16 analysis of client documents and information; (8) correspondence with client regarding
17 documents and information; (9) audit of client case file; (10) notification to client of missing
18 documents; (11) obtaining of additional document from client; (12) client assistance with the
19 preparation of client’s hardship letter; (13) contact with lenders regarding status of loan; (14)
20 draft request for client’s loan modification; (15) submission of client’s loan modification
21 requests to lenders; (16) weekly contact with lender regarding status of client’s loan
22 modification; and (17) negotiation of client’s loan modification terms with lenders.

CONCLUSIONS OF LAW

24 The Director CONCLUDES that:

25 11. Legal Loan Review acted as a “mortgage broker”, as that term is defined in ORS
26 86A.100(5)(a)(C), when it, for compensation, negotiated or offered to negotiate mortgage



1 loans for its 35 Oregon clients.

2 12. Legal Loan Review engaged in “residential mortgage transactions”, as that term is
3 defined in ORS 86A.103(2), when it acted as a mortgage broker as defined in Paragraph 11
4 above.

5 13. Legal Loan Review committed 35 violations ORS 86A.103(1) when it engaged in
6 35 residential mortgage transactions in Oregon without first obtaining a mortgage broker’s
7 license from the State of Oregon.

8 14. Legal Loan Review performed “debt management services”, as that term is
9 defined in ORS 697.602(2)(c), when it received money from its 35 Oregon clients in
10 exchange for offering to modify terms and conditions of an existing loan or obligation.

11 15. Legal Loan Review committed 35 violations of ORS 697.612(1)(a) when it
12 performed “debt management services”, as described in paragraph 14 above, without first
13 registering as debt management service providers with the Department.

14 16. Legal Loan Review committed 35 violations of ORS 697.692(1)(a) when it
15 collected initial fees of greater than \$50 from each Oregon client.

16 17. Legal Loan Review violated ORS 697.662(12)(a) by representing on its website
17 that it is currently in the process of applying as a debt management service provider in the
18 State of Oregon when it has not made any such application with the State of Oregon.

19 **ORDER**

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

21 Order to Cease and Desist

22 18. Pursuant to ORS 86A.127(4) and ORS 697.825(1)(a), the Director hereby orders
23 Legal Loan Review to cease and desist from violating the Oregon Mortgage Lender Laws and
24 Rules and Debt Management Service Providers Laws and Rules.

25 Order Assessing Civil Penalty

26 19. Pursuant to ORS 86A.992 and ORS 697.832, the Director may assess a civil



1 penalty of up to \$5,000 for each violation of the Oregon Mortgage Lender Law and Rules and
2 Oregon Debt Management Service Providers Law and Rules.

3 20. Pursuant to these provisions, the Director hereby orders Legal Loan Review to pay
4 a \$355,000 civil penalty to the State of Oregon as follows:

- 5 a. \$175,000 for 35 violations of ORS 86A.103(1) and ORS 697.612(1)(a);
- 6 b. \$175,000 for 35 violations of ORS 697.692(1); and
- 7 c. \$5,000 for one violation of ORS 697.662(12)(a).

8 21. The entire \$355,000 civil penalty shall be suspended so long as Legal Loan Review:

- 9 a. Makes timely restitution payments pursuant to the provisions of this consent
10 order and the Restitution Schedule of Repayment on file with the Division; and
- 11 b. Provides the Division evidence that restitution repayments have been made in a
12 form acceptable to the Division within 45 days of payment due dates.

13 22. For any payee that Legal Loan Review is unable locate, Legal Loan Review shall
14 make payment on behalf of the payee to Oregon Department of State Lands as unclaimed
15 property and provide Oregon Department of State Lands all of its contact information for the
16 restitution payee on or before the payment due date on the Restitution Schedule of Repayment
17 and provide the Division evidence of payment in a form acceptable to the Division within 45
18 days of the payment due date.

19 23. Pursuant to the Restitution Schedule of Repayment, Legal Loan Review shall make
20 best efforts to ensure that all payees are contacted and paid in a timely manner prior to making
21 any payments to the Oregon Department of State Lands.

22 Other Provisions

23 24. Legal Loan Review shall, for all Oregon consumers with which it has previously
24 provided any services that are regulated by ORS Ch. 86A and/or ORS Ch. 697, wind up all
25 remaining loan modification, debt management, and/or any other similar activities on or before
26 November 1, 2012. Winding up shall include but not be limited to: (1) discontinuing all



1 negotiations with any party on any Oregon client's behalf; (2) notifying all lenders,
2 intermediaries, and any other involved parties that Legal loan Review is discontinuing its
3 negotiations on behalf of the Oregon consumer and that all further contact regarding the loan
4 modification should be made directly with the Oregon consumer; and (3) returning all loan
5 modification files and other documents to Oregon consumers.

6 25. Upon execution of this consent order, Legal Loan Review shall provide to the
7 Division with a statement indicating either that: (1) Legal Loan Review shall make best efforts
8 to become licensed with the State of Oregon to conduct loan modification and/or debt
9 management services on or before February 1, 2013; or (2) Legal Loan Review is not licensed
10 with the State of Oregon to provide loan modification or debt management services and it does
11 not intend to become licensed as such at any time in the future.

12 26. Within 30 days of the date of Legal Loan Review's execution of this consent order,
13 Legal Loan Review shall include prominently on all of its advertisements including its website,
14 a disclaimer that clearly indicates that Legal Loan Review is not licensed to provide loan
15 modification or debt management services in Oregon. If and when Legal Loan Review
16 becomes licensed to provide loan modification or debt management services in Oregon, it will
17 no longer be required to maintain the disclaimer on future advertisements.

18 27. There shall be no grace period for any of the deadlines associated with this order.

19 28. If all conditions of this order are not met, the Division may take administrative
20 action for violation of this consent order as well as other action as authorized by Oregon Law
21 including, but not limited to, the reinstatement of the entire \$355,000 civil penalty minus any
22 restitution payments made to Oregon consumers pursuant to this consent order.

23 29. The entry of this consent order in no way further limits remedies that may be
24 available to the Director under Oregon Law.

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26 ///

1 Dated this 26th day of September, 2012.

2
3 PATRICK M. ALLEN, Director
4 Department of Consumer and Business Services

5 /s/ David Tatman
6 David C. Tatman, Administrator
7 Division of Finance and Corporate Securities

8 **CORPORATE CONSENT TO ENTRY OF ORDER**

9 I, Bruce Weiner, state that I am an authorized representative of Legal Loan
10 Review, Inc., and I am authorized to act on its behalf; that I have read the foregoing Order and
11 that I know and fully understand the contents hereof; that I and this entity have been advised
12 of the right to a hearing and of the right to be represented by counsel in this matter; that Legal
13 Loan Review, Inc. voluntarily and without any force or duress, consents to the entry of this
14 Order, expressly waiving any right to a hearing in this matter; that Legal Loan Review, Inc.
15 understands that the Director reserves the right to take further actions to enforce this Order or
16 to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender
17 Law; and that Legal Loan Review, Inc. will fully comply with the terms and conditions stated
18 herein.

19 Legal Loan Review, Inc. understands that this Consent Order is a public document.

20 Dated this 11th day of September, 2012.

21 **LEGAL LOAN REVIEW, INC.,
22 a California Corporation**

23 By: /s/ Bruce Weiner
24 Name: Bruce Weiner
25 Its: Legal Counsel

26 ///

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



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of ORANGE

On SEPTEMBER 11, 2012 before me, RAJENDRA C. AMIN

Date

Here Insert Name and Title of the Officer

personally appeared BRUCE S. WEINER

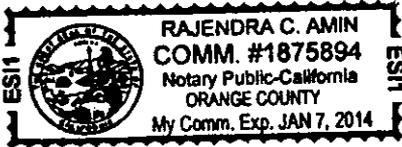
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Rajendra C. Amin
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: CORPORATE CONSENT TO ENTRY OF ORDER

Document Date: SEPTEMBER 11, 2012 Number of Pages: - ONE -

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: BRUCE S. WEINER

- Individual
- Corporate Officer — Title(s): LEGAL COUNSEL
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer Is Representing: Legal Loan Review, Inc.
a California Corporation