

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

DM-15-0050

Robert L. Bolton,

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

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (Director) conducted an investigation of Robert L. Bolton (Bolton) and determined that Bolton 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 to 697.842 and OAR 441-910-0000 through 441-910-0120 (collectively Oregon Debt Management Service Provider Laws and Rules).

Bolton now wishes to resolve and settle this matter with the Director.

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

FINDINGS OF FACTS

The Director finds that:

1. At all times material to this Order, Robert L. Bolton (Bolton) reported a principal place of business of 17610 S. E. 362nd Drive, Sandy, Oregon.
2. At all times material to this Order, Bolton was the owner and person in charge of Robert. L. Bolton, Attorney at Law, A Law Corporation (the Law Corporation). The address for the corporation was listed as 17610 S.E. 362nd Drive, Sandy, Oregon.

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1 3. The Law Corporation has never been registered with the Oregon Secretary of State to do
2 business in Oregon and does not appear to be registered in Hawaii. Bolton states that the
3 corporation was previously registered in Hawaii but was dissolved when Bolton did not pay the
4 annual registration fee.

5 4. Neither the Law Corporation nor Bolton has ever held a license to engage in residential
6 mortgage transactions as a mortgage broker in Oregon and have never been registered to provide
7 debt management services in Oregon. Bolton maintains that he never had an Oregon resident as a
8 loan modification or debt management client and that he was unaware of Oregon law requiring
9 licensure or registration to provide these services from Oregon.

10 5. At all times material to this order, borrower MM was a Hawaiian resident and was party to
11 a home mortgage loan secured by residential real estate located in Hawaii.

12 6. On or about July of 2012, MM was seeking to modify the mortgage on her residential
13 property and retained Hawaiian attorney Robert Bolton to help her with the modification. Bolton
14 states that he was located in Oregon at the time he was retained.

15 7. Bolton had MM transfer three payments of \$875 each for a total of \$2,625 to Bolton's
16 Hawaii Attorney's Client Trust account. Bolton maintains that none of the funds were ever paid or
17 received in Oregon.

18 8. Bolton told MM that after the money was transferred, he would begin working on obtaining
19 a modification of her residential mortgage loan through Bank of America (B of A). Bolton states
20 that after he received the first retainer deposit from MM, he faxed Authorization to B of A on
21 September 12, 2012.

22 9. After the transfers, MM continued to receive letters from B of A stating that MM's account
23 was still delinquent and advising her of court dates.

24 10. After approximately seven such letters from B of A, MM called B of A to see why she was
25 receiving the letters. Bolton maintains that MM was uncooperative and failed to keep him
26 informed.

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1 11. MM was told by B of A representative that B of A was foreclosing on her residential
2 property because nothing had been done on her behalf to reduce her mortgage payments. The
3 representative from B of A explained further that there was no attorney of record on file for MM.
4 Bolton maintains that he was the Hawaii attorney of record from the date of authorization until at
5 least February 22, 2016. Bolton further maintains that B of A provided Bolton with a copy of the
6 approved loan modification on February 22, 2016, and Bolton would not have received this
7 information if he was not the attorney of record.

8 12. On or about October 19, 2013, MM filed a complaint with the Oregon State Bar (OSB) in
9 which she expressed that she was very disappointed in the Oregon attorney she hired and felt she
10 had been deceived. The matter was referred by OSB to the Division.

11 13. In February of 2014, Bolton responded to an inquiry from OSB and stated that he was
12 specifically hired by MM to help assist her with her loan modification.

13 14. Attached to Bolton's written response to OSB was an invoice indicating the amount of
14 work he performed in assisting MM to obtain a loan modification.

15 CONCLUSIONS OF LAW

16 The Director concludes that:

17 1. Respondent acted as a "mortgage broker" under ORS 86A.100(5)(a)(C) when he for
18 compensation, or in the expectation of compensation, either directly or indirectly made, negotiated,
19 or offered to make or negotiate a modification to the terms and conditions of a mortgage loan.

20 2. Respondent engaged in "residential mortgage transactions in this state" under ORS
21 86A.103(2) by acting as a mortgage broker when Respondent offered to negotiate a
22 modification to the terms and conditions of MM's residential mortgage loan.

23 3. Respondent violated ORS 86A.103(1) by engaging in residential mortgage transactions
24 in Oregon without first obtaining a license as a mortgage broker under ORS 86A.095 to
25 86A.198.

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1 4. Respondent engaged in debt management services when he received money from MM
2 for modifying or offering to modify the terms and conditions of an existing loan under ORS
3 697.602(2)(c).

4 5. Respondent violated ORS 697.612(1)(a) by performing a debt management service
5 without being registered with the Director to provide such a service.

6 6. Respondent violated ORS 697.612(1)(b)(E) when he provided advice, assistance, instruction
7 or instructional material regarding a debt management service to MM when Respondent was not
8 registered with the Division as a debt management service provider.

9 7. Respondent violated ORS 697.692(1)(a) by accepting or receiving an initial fee of more
10 than \$50 from MM.

11 ORDERS

12 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

13 1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby orders Respondent
14 and all entities owned or controlled by Respondent to cease and desist from violating the
15 Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and Oregon debt
16 management service providers, ORS 697.602 to 697.842.

17 2. Pursuant to ORS 86A.992, the Director may assess a civil penalty in the amount not to
18 exceed \$5,000 per violation against any person who violates or who procures, aids or abets in
19 the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued under
20 ORS 86A.124 or 86A.242. Pursuant to the authority of ORS 697.832, the Director may assess a
21 civil penalty in an amount not to exceed \$5,000 per violation against any person who violates
22 ORS 697.612 or 697.642 to 697.702, rules adopted under ORS 697.632, or any order issued
23 under ORS 697.825.

24 3. The Director proposes to order Respondent to pay civil penalties in the amount of
25 \$10,000 as follows:

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- 1 a. \$5,000 for committing one violation of ORS 86A.103(1), ORS 697.612(1)(a)
2 and ORS 697.612(1)(b)(E); and
3 b. \$5,000 for committing one violation of ORS 697.692(1)(a).
- 4 4. However, the Director will suspend \$9,000 of the civil penalties as long as the
5 Respondent complies with the conditions of this Order. The Respondent shall pay \$1,000 in
6 civil penalties assessed at \$500 for each of the two violations mentioned in paragraph 3 above.
7 Payment shall be made within 30 days after Respondent's receipt of a copy of the executed
8 Consent Order.
- 9 5. Any violation of this Consent Order will be deemed a material breach and the full
10 amount of the civil penalties alleged in the Consent Order will become due and owing
11 immediately. If no violations occur within the three years from the date this order is signed, the
12 suspended portion of the civil penalties will expire.
- 13 6. The entry of this Order in no way further limits remedies that may be available to the
14 Director under Oregon law.

15 Dated this 8th day of March, 2016.

16
17 PATRICK M. ALLEN, Director
Department of Consumer and Business Services

18 /s/ David Tatman
19 David C. Tatman, Chief Enforcement Officer
20 Division of Financial Regulation
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22 CONSENT TO ENTRY OF ORDER

23 I, Robert L. Bolton, state that I have read the foregoing Consent Order. I have been
24 advised of the right to a hearing and the right to be represented by counsel in this matter. I
25 voluntarily and without any force or duress, consent to the entry of this Consent Order,
26 expressly waiving any right to a hearing in this matter.

1 Further, I understand that the Director reserves the right to take further actions to enforce
2 this Consent Order or to take appropriate action upon discovery of other violations of the
3 Oregon Mortgage Lender Laws and Rules or the Oregon Debt Management Service Provider
4 Laws and Rules and that I will fully comply with the terms and conditions stated herein.

5 I understand that this will become a public document.

6 Dated this 1st day of March 2016.

7
8 /s/ Robert L. Bolton
9 Robert L. Bolton

10
11 ACKNOWLEDGMENT

12 State of Oregon)
13)ss.
14 County of Clackamas)

15 This instrument was acknowledged before me on March 1st, 2016 by Robert L. Bolton.

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17 /s/ Rose Marie Lamont
18 Notary Public for the State of: Oregon
19 My commission expires: 5-5-2018

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