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

In the Matter of: AARONSON SCHWARTZ & ASSOCIATES LLC Respondent.	Case No. CA-24-0032 FINAL ORDER TO CEASE AND DESIST AND ORDER ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On May 23, 2024, the Division of Financial Regulation (the "Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), served an Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to an Administrative Hearing ("Notice") on Aaronson Schwartz & Associates LLC ("ASA").

The Notice offered ASA an opportunity for a hearing if requested within 20 days of the Notice. The Notice further informed ASA that if a hearing were not conducted because ASA did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by ASA in the case would automatically become part of the contested case record for the purpose of proving a prima facie case.

The Director did not receive a request for a hearing from ASA and did not conduct a hearing.

The Director finds that the record of this proceeding proves a prima facie case.

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

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FINDINGS OF FACT

The Director FINDS that:

1. ASA is a New York Limited Liability Company. The New York State Department of State shows ASA was initially registered on August 24, 2023. The registered business address is 758 A St Cayuga Vlg, Niagara Falls, NY 14304 (the "Niagra Falls Address").

2. At no time has ASA been registered with the Division to do business in Oregon as a collection agency.

3. On or around November 30, 2023, an Oregon consumer—who will henceforth be identified as BW—submitted a complaint to the Division. He stated that on November 11, 2023, he received a voicemail from John Hoover ("Hoover") of ASA. In the voicemail, Hoover stated that he received a service order and would be heading out between the hours of ten and four to deliver documents to BW's home address or place of business regarding an outstanding debt that BW allegedly owed.

4. BW contacted ASA at the number Hoover provided, and spoke with Victoria Lane ("Lane"). Lane notified BW that ASA intended to sue him for defrauding a financial institution and set him up on a payment plan of $248.85, every second payday for a year until the balance is paid off.

5. BW mailed certified letters to ASA on November 17 and 30, 2023 requesting a debt validation letter and any and all contracts, documents, and information pertaining to the alleged debt.

6. BW never received a validation of this alleged debt, any paperwork showing that ASA owned the alleged debt, or any pre-legal action notification. BW checked with the Washington County Circuit Court on any legal action filed against him at the time, or ever, in the State of Oregon. BW did not make any payments towards this alleged debt, nor did he agree that he had a debt to collect.

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7. On December 4, 2023, a Google search was completed for ASA by the Division, which located its website at https://www.aaronsonschwartzassociates.info. On its website, ASA appears to hold itself out as both a debt collection agency and a debt management service provider. The website provided very little details about the company, and provided a web-based messaging system as the only means of contacting the company. A map provided on the website also appears to show an office located in San Francisco, CA, but the building marked on this map does not appear to contain commercial offices or have any relation to ASA.

8. The State of New York Business Registry lists Damon Fountain ("Fountain") as the CEO of ASA. On December 11, 2023, the Division sent a request for information to Fountain via first class and certified mail to the Niagara Falls Address, and requested a written response by December 27, 2023.

9. On December 14, 2023, the Division received an e-mail from BW, which indicated that he had been contacted by ASA again from a "Tim", about the alleged debt. BW advised that the telephone number that Tim contacted him from was an Oregon telephone number.

10. That same day, the Division attempted to contact "Tim", but found the telephone number was forwarded and connected the Division to a Matthew at extension 115. Matthew indicated ASA was a law firm, which contracts with various attorneys located in different states. The Division's investigation revealed, however, that neither ASA nor Fountain hold a license to practice law in New York or Oregon.

11. After specifically inquiring about the alleged debt owed by BW, ASA communicated that the Division would need to make a request in writing for this information, via email to: rblum@aaronschwartzassociates.info and explained that once the information was verified, someone from ASA would provide the validation of BW's debt.

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12. The Division received a returned certified green card, dated June 4, 2024, showing ASA received the Notice Order issued on May 23, 2024. A hearing request has not been made as of the date of this Order.

CONCLUSIONS OF LAW

Unlicensed Collection Agency Activities

13. ORS 697.015 forbids a person from doing business as a collections agency in Oregon unless that person "registers with the Department of Consumer and Business Services under ORS 697.031 and maintains the registration in accordance with that section."

14. Under ORS 697.005(1)(a)(A), "collection agency" means, among other things, "A person that engages directly or indirectly in soliciting a claim for collection, or collecting or attempting to collect a claim that is owed, due or asserted to be owed or due to another person or to a public body at the time the person solicits, collects or attempts to collect the claim."

15. By attempting to collect the purported debt from BW without registering as a collection agency in Oregon, ASA violated ORS 697.015.

Cease and Desist Authority

16. Under ORS 697.093(1)(d)(A), because the Director has reason to believe that ASA has engaged in violations of ORS 697.015, the Director may issue an order to ASA to cease and desist from violations of the Oregon Collection Agency Law.

Civil Penalties Authority

17. Under ORS 697.095(1), the Director may impose a civil penalty not to exceed $1,000 against any person "who violates any provision of ORS 697.015 or 697.058 or any rule adopted under ORS 697.031, 697.085 or 697.086." Under OAR 441-810-0140, the civil penalty shall be $400 for the first offense and $1,000 for each subsequent offense.

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ORDERS

The Director issues the following ORDERS:

18. As authorized by ORS 697.093(1)(d)(A), the Director ORDERS ASA to CEASE AND DESIST from violating ORS 697.015.

19. As authorized by ORS 697.095(1), the Director hereby ORDERS that ASA be subject to $400 in CIVIL PENALTIES for doing business in Oregon as a collections agency without registering with the Division.

DESIGNATION OF RECORD

20. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

IT IS SO ORDERED.

Dated this 20th day of June, 2024.

Andrew R. Stolfi, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

Except as provided in ORS 697.825(2)(e), you may be entitled to judicial review of this Order under ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date of this Order is served.