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

In the Matter of:	Case No. DM-24-0004
Alum Financial, LLC Respondent.	**FINAL ORDER TO CEASE AND DESIST AND ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT**

On June 4, 2024, the Division of Financial Regulation ("Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), served an Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to an Administrative Hearing ("Notice") on Alum Financial, LLC ("Alum Financial") via regular and certified United States mail at its business address.

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

The Director did not receive from Alum Financial a request for a hearing 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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Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. Alum Financial is a California limited liability company with a business address of 555 Anton Blvd, FL 1-3, Costa Mesa, CA 92626. Alum Financial operated the following website address: www.alumfinancial.com.

2. Alum Financial, in expectation of receiving a fee, offered to assist Oregon borrowers in obtaining modifications of their student loans by preparing their applications to the student loan repayment, consolidation, and forgiveness programs of the U.S. Department of Education.

3. Alum Financial has never been registered with the Oregon Secretary of State to conduct business in Oregon and has never been registered with the Director as a debt management service provider ("DMSP").

4. Alum Financial has not obtained a surety bond that is required for licensed debt management service providers in Oregon under ORS 697.742.

5. Between January 1, 2020 – October 25, 2022, Alum Financial offered to provide, or provided, services to at least 94 Oregon consumers with student loan debt that paid Alum Financial a total of $69,632.64 in fees as follows:

1. **ML** - $0.00
2. **CL** - $1,203.00
3. **LNAS** - $0.00
4. **NH** - $0.00
5. **DM** - $1,116.00
6. **TN** - $1,166.67
7. **THS** - $1,000.00
8. **WR** - $1,144.00
9. **RC** - $999.00
10. **VC** - $999.00
11. **SR** - $499.50
12. **IS** - $1,231.00
13. **SJ** - $999.00
14. **MH** - $248.13
15. **KJ** - $250.00
16. **CR** - $1,203.00
17. **SA** - $0.00
18. **EG**- $499.50
19. **DS** - $1,318.00
20. **EP** - $1,550.00
21. **AG** - $249.25
22. **CS** - $230.00
23. **SS** - $1,396.00
24. **JR** - $0.00
25. **JZ** - $1,148.00
26. **WH** - $350.00
27. **SM** - $239.80
28. **EH** - $0.00

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29. **MA** - $399.66
30. **KS** - $199.83
31. **CL** - $0.00
32. **LS** - $1,194.00
33. **AD** - $0.00
34. **SH** - $1,248.00
35. **JOH** - $2,082.00
36. **RS** - $199.83
37. **BB** - $0.00
38. **MS** - $1,493.00
39. **TB** - $1,323.00
40. **JT** - $799.32
41. **LP** - $1,593.00
42. **CP** - $0.00
43. **LB**- $398.00
44. **BH** - $0.00
45. **BM** - $0.00
46. **LM** - $1,493.00
47. **EB** - $0.00
48. **KF** - $0.00
49. **TB** - $0.00
50. **KM** - $199.83
51. **AB** - $1,493.00
52. **ER** - $1,493.00
53. **SK** - $1,983.00
54. **SHD** - $199.83
55. **AA** - $1,943.00
56. **JA** - $349.83
57. **CM** - $2,081.00
58. **WW** - $0.00
59. **WL** - $1,591.00
60. **EM** - $1,294.00
61. **EB** - $1,444.00
62. **KK** - $0.00
63. **AC** - $700.00
64. **KH** - $0.00
65. **GN** - $600.00
66. **RV** - $1,376.00
67. **RMc** - $1,494.00
68. **LM** - $475.00
69. **CV** - $1,494.00
70. **AM** - $1,494.00
71. **AB** - $0.00
72. **CR** - $199.67
73. **KH** - $2,548.00
74. **MV** - $1,309.00
75. **JL** - $227.00
76. **JB** - $1,249.00
77. **JA** - $0.00
78. **JS** - $0.00
79. **AW** - $1,200.00
80. **SO** - $0.00
81. **PB** - $1,000.00
82. **BY**- $1,494.00
83. **JA**- $1,250.00
84. **MD** - $0.00
85. **RS** - $0.00
86. **SM** - $1,100.00
87. **AF** - $1,295.00
88. **JJ** - $1,498.33
89. **KN** - $0.00
90. **ZS** - $150.00
91. **CW** - $249.83
92. **RC** - $1,347.00
93. **DB** - $199.83
94. **PS - $**150.00

6. On at least 94 occasions, Alum Financial did not provide a document that included all of the disclosures required by ORS 697.707(2) to those Oregon consumers for whom it offered to perform a debt management service.

7. On at least 69 occasions, Alum Financial charged a fee to Oregon consumers before providing all of the required disclosures set forth in ORS 697.707(2) and on at least 69 occasions, Alum Financial charged an initial fee greater than $50.00.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. By providing the services to Oregon consumers as described in paragraphs 2 and 5 of this Order, Alum Financial modified or offered to modify the terms and conditions of an existing loan from, or obligation to, a third party. In doing so, Alum Financial performed debt management services as defined in ORS 697.602(2)(c).

9. By offering to perform a debt management service to 94 Oregon consumers without being registered with the Division, Alum Financial committed 94 violations of ORS 697.612(1)(a).

10. By engaging in debt management service provider activity with 94 Oregon consumers without having the surety bond required, Alum Financial committed 94 violations of ORS 697.642.

11. By offering to perform a debt management service to 94 Oregon consumers before providing all necessary disclosures, Alum Financial committed 94 violations of ORS 697.707(2).

12. By charging fees to 69 Oregon consumers before providing all of the disclosures required by ORS 697.707(2), Alum Financial committed 69 violations of ORS 697.707(1). By charging an initial fee greater than $50.00 to 69 Oregon consumers, Alum Financial committed 69 violations of ORS 697.692(1)(a).

13. ORS 697.832(1) authorizes the Director to assess a civil penalty against Alum Financial of up to $5,000.00 *per violation* of the Oregon Debt Management Service Provider Law.

14. Because the Director has reason to believe that Alum Financial violated ORS 697.612(1), ORS 697.642, ORS 697.707(1) and ORS 697.707(2), the Director is authorized by ORS 697.825(1) to order the company to cease and desist from violating

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these statutes.

ORDERS

Now therefore, the Director issues the following ORDERS:

Order to Cease and Desist

15. As authorized by ORS 697.825(1)(a), the Director ORDERS Alum Financial to CEASE AND DESIST from violating ORS 697.612(1), ORS 697.642, and ORS 697.692(1)(a).

Order Assessing Civil Penalties

16. As authorized by ORS 697.832(1), the Director ORDERS Alum Financial to pay $94,000.00 in CIVIL PENALTIES, allocated as follows:

A. $47,000.00 for violating ORS 697.612(1)(a); and

B. $47,000.00 for violating ORS 697.692(1)(a) and ORS 697.707(1).

FINAL ORDER

17. 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.

SO ORDERED this 2nd day of July, 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

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 Oregon Court of Appeals in Salem, Oregon, within 60 days from the date of this Order is served.

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