

1 STATE OF OREGON
2 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
3 DIVISION OF FINANCIAL REGULATION

4 In the Matter of:

Case No. DM-22-0053

5 DARCHE LEGAL GROUP, LLC;
6 BETTER BUSINESS MARKETING
7 INC.; AND
8 LEMUEL THOMPSON,
9
10 RESPONDENTS.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY DEFAULT

9 On June 23, 2022, the Division of Financial Regulation (the “Division”), acting on
10 behalf of the Director of the Department of Consumer and Business Services for the State
11 of Oregon (the “Director”), served Notice of Administrative Order DM-22-0053 (“Notice”)
12 on Darche Legal Group, LLC (“Darche Legal Group”), Better Business Marketing Inc.
13 (“Better Business Marketing”), and Lemuel Thompson (“Thompson”) (collectively
14 “Respondents”). The Notice provided notice that the Director issued an order to cease and
15 desist and a proposed order assessing civil penalties for violations of provisions of Oregon
16 Revised Statutes (“ORS”) 697.602 to 697.842 (the “Oregon Debt Management Service
17 Provider Law”) and the Oregon Administrative Rules (“OAR”) promulgated under those
18 laws.

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

25 The Director did not receive from Respondents a request for hearing and did not
26 conduct a hearing.

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



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

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

4 **FINDINGS OF FACT**

5 The Director FINDS that:

6 1. On February 27, 2018, Respondent Better Business Marketing incorporated as
7 a Florida Profit Corporation in Florida.¹

8 2. Respondent Thompson is the incorporator, registered agent, and an officer of
9 Better Business Marketing.

10 3. On March 11, 2020, Respondent Darche Legal Group incorporated as a
11 limited liability company in Delaware.

12 4. On July 23, 2020, the North Dakota Office of Attorney General, Consumer
13 Protection and Antitrust Division, issued an order in case number CPAT 200091.002
14 against 5 respondents, including Thompson and Better Business Marketing. That case
15 involved the respondents making an unsolicited phone call to a North Dakota consumer
16 and offering to reduce that consumer's credit card debt dramatically. The consumer paid
17 thousands of dollars to those respondents, but did not receive any services and was not
18 provided a requested refund. The order issued in that case found that the respondents
19 violated North Dakota's debt settlement provider law, trade names law, home solicitation
20 sales statute, and consumer fraud law. That case resulted in an order to cease and desist
21 and the assessment of civil penalties.

22 5. In or about late July 2020, Thompson contacted an Oregon consumer by
23 telephone identified herein as LL.² Thompson offered to settle the credit card debt of LL
24 and her husband JL for pennies on the dollar or significantly less than the amount they

25 _____
26 ¹ On September 27, 2019, Better Business Marketing Inc. was administratively dissolved for failure to file an annual report.

² LL initially believed the caller identified himself as "William" Thompson.





1 owed.

2 6. Following the foregoing communication with LL, Respondents mailed LL a
3 document entitled “Welcome Aboard” (the “Welcome Aboard Letter”). The Welcome
4 Aboard Letter includes a statement that Respondents help clients “take[] back control of
5 their finances and credit scores” and contains instructions for dealing with creditors.

6 7. The Welcome Aboard Letter contained the following mailing address: 304 S
7 Jones Blvd #3011, Las Vegas, NV 89107 (the “Las Vegas Address”).

8 8. At all relevant times, the office at the Las Vegas Address was leased by
9 Thompson on behalf of Better Business Marketing.

10 9. On or about July 30, 2020, pursuant to the Respondents’ instructions, LL and
11 her husband JL made three payments totaling \$14,200 to Darche Legal Group. This
12 included a payment of \$7,000 on LL’s Bank of America credit card, a payment of \$2,200
13 on JL’s CitiBank credit card, and a payment of \$5,000 on JL’s CitiBank credit card. All
14 three payments were made to “Darche Legal Group LLC.” After paying this money, LL
15 attempted to contact Respondents by phone but they failed to respond to her.

16 10. On or about March 11 and 24, 2021, respectively, the Division contacted
17 Darche Legal Group and Thompson, informing them that the Division had received a
18 complaint filed against Darche Legal Group and Better Business Marketing, stating that
19 performing debt management services in Oregon requires a license, and requesting
20 information about other Oregon consumers for whom debt management services were
21 provided.

22 11. Thompson never responded to the Division’s inquiry.

23 12. On or about March 28, 2021, Benjamin Darche, owner of Darche Legal
24 Group, responded to the Division’s inquiry. Darche acknowledged that his company
25 provided services to Oregon consumer LL, stating: “We are no longer engaged in this
26 line of business in the State of Oregon and, to our knowledge, [LL] is the only Oregon

1 consumer we serviced in the time frame you provided.” Darche added: “As of this
2 writing, DLG has halted all engagement in this line of business nationwide,” again
3 acknowledging that Darche Legal Group had been providing debt management services
4 at least through the date of that letter. Darche then directed the Division to his company’s
5 “outreach/intake & Marketing partner for debt relief matters,” which he indicated would
6 have the information requested. When the Division attempted to contact that entity, it
7 never responded.

8 13. Respondents failed to perform any services for LL or JL.

9 14. Respondents failed to refund any fees LL or JL paid.

10 15. Respondents are not and never have been registered with the Division to
11 provide debt management services in Oregon.

12 16. Respondents have never filed with the Director a bond issued by one or more
13 corporate sureties authorized to do business in Oregon.

14 CONCLUSIONS OF LAW

15 The Director concludes that:

16 17. By soliciting LL to negotiate a repayment plan for her and JL’s credit card
17 debt and by agreeing to perform, or representing it could or would perform, such services
18 for them, and accepting money for the same, Respondents conducted business in Oregon.

19 18. Under ORS 697.602(2)(c), “debt management service” includes an activity for
20 which a person receives money or other valuable consideration or expects to receive
21 money or valuable consideration in return for modifying or offering to modify terms and
22 conditions of an existing loan from or obligation to a third party.

23 19. Under ORS 697.602(2)(d), “debt management service” includes an activity
24 for which a person receives money or other valuable consideration or expects to receive
25 money or valuable consideration in return for obtaining or attempting to obtain as an
26 intermediary on a consumer’s behalf a concession from a creditor including, but not





1 limited to, a reduction in the principal, interest, penalties, or fees associated with a debt.

2 20. Respondents performed “debt management services,” as defined in ORS
3 697.602(2)(c) and (d), respectively, when Respondents received money or expected to
4 receive money in return for agreeing to obtain or attempting to obtain concessions from
5 LL and JL’s credit card companies, including a reduction in principal, interest, penalties,
6 or fees associated with such debt.

7 21. Under ORS 697.602(3), “debt management service provider” means a person
8 that resides or does business in this state and provides or performs, or represents that the
9 person can or will provide or perform, a debt management service in return for or in
10 expectation of money or other valuable consideration.

11 22. Respondents acted as “debt management service providers,” as defined in
12 ORS 697.602(3), when they conducted business in Oregon and provided or performed, or
13 represented that they could or would provide or perform, the foregoing debt management
14 services for LL and JL in return for or in the expectation of money.

15 23. Under ORS 697.632(1), debt management service providers shall be
16 registered with the Director unless exempt from registration.

17 24. Under ORS 697.612(1)(b)(A), a person that has not registered with the
18 Director under ORS 697.632 may not engage in business in this state in the course of
19 which the person receives money or other valuable consideration or expects to receive
20 money or other valuable consideration for soliciting or receiving an application from a
21 consumer for a debt management service.

22 25. By engaging in business in Oregon and requesting and receiving money from
23 LL and JL to provide debt management services without registering with the Director
24 under ORS 697.632 as a debt management service provider, Respondents violated ORS
25 697.612(1)(b)(A).

26 26. Under ORS 697.732(1)(b)(A), the Director may undertake an investigation,



1 including an investigation outside this state, that the Director considers necessary to
2 determine whether a debt management service provider or a person required to obtain a
3 registration as a debt management service provider under ORS 697.612 violated, is
4 violating or is about to violate ORS 697.612 or 697.642 to 697.702 or a rule the Director
5 adopted under ORS 697.632.

6 27. Under ORS 697.732(1)(c) and (d), as part of such an investigation, the
7 Director may require a debt management service provider or a person required to obtain a
8 registration as a debt management service provider under ORS 697.612 to file a written
9 statement, under oath or otherwise, that addresses a matter the Director is investigating,
10 and may further require a person that the Director is investigating to produce books,
11 papers, correspondence, memoranda, agreements or other documents or records that the
12 Director deems relevant or material to the investigation.

13 28. By failing to respond to the Director's March 2021 letters and by failing to
14 provide a statement, documents, or records in connection with the Director's inquiry,
15 Respondent Thompson violated ORS 697.732(1).

16 29. Under ORS 697.692(1), a debt management service provider may charge a
17 consumer only certain fees, including: an initial fee of not more than \$50; a fee not to
18 exceed \$50 to cover actual costs of an initial counseling or education class; a monthly fee
19 equivalent to 15 percent of the funds that the debt management service provider receives
20 from a consumer for payment to the consumer's creditors, such fee not to exceed \$65 per
21 month; a fee equivalent to 15 percent of the amount the consumer owes to creditors and
22 places that amount into a bank account established or maintained in the consumer's
23 name, such fee not to exceed \$65 per month; a fee equivalent to 7.5 percent of the
24 difference between the principal amount of the debt the consumer owed to creditors and
25 the amount the consumer paid to the creditor to settle the debt, only if the debt
26 management service provider obtains from the consumer's creditor a reduction in the



1 principal amount of the consumer's debt; and, after the first month of service, a fee of not
2 more than \$50 per month to improve or preserve a consumer's credit record, credit
3 history, or credit rating.

4 30. By charging LL and JL amounts that exceed the fees outlined in the foregoing
5 paragraph, Respondents violated ORS 697.692(1). Under ORS 697.662(12)(b), a debt
6 management service provider or a person required to obtain a registration as a debt
7 management service provider under ORS 697.612 may not publish, distribute, or
8 broadcast or cause to be published, distributed, or broadcast an advertisement,
9 presentation, or other communication or promotional material that identifies the debt
10 management service provider or person by a name other than the name that appears on
11 the registration that the Director issued or the assumed business name that the debt
12 management service provider or person registered under ORS chapter 648.

13 31. The Welcome Aboard Letter constitutes an advertisement or other
14 communication or promotional material.

15 32. By publishing or distributing or by causing to be published or distributed the
16 Welcome Aboard Letter, in which Respondents did not identify themselves with a name
17 registered with the Director or a registered assumed business name, Respondents violated
18 ORS 697.662(12)(b).

19 33. Under ORS 697.642(1), a debt management service provider shall file with
20 the Director a bond issued by one or more corporate sureties authorized to do business in
21 this state.

22 34. By providing or agreeing to provide debt management services without first
23 filing with the Director a bond issued by one or more corporate sureties authorized to do
24 business in Oregon, Respondents violated ORS 697.642(1).

25 35. Under ORS 697.825(1)(a), the Director may, if the Director has reason to
26 believe that a person violated, is violating, or is about to violate ORS 697.612, 697.642 to

1 697.702 or 697.752, a rule adopted under ORS 697.632 or an order issued under ORS
2 697.652 or 697.732, issue an order to cease and desist from the violation.

3 36. Because the Director has reason to believe that Respondents have violated and
4 are violating ORS 697.612(1)(b)(A), ORS 697.732(1), ORS 697.692(1), ORS
5 697.662(12)(b), and ORS 697.642(1), the Director may issue an order to cease and desist
6 against Respondents under ORS 697.825(1)(a).

7 37. Under ORS 697.832(1), the Director may impose a civil penalty on a person
8 in an amount not to exceed \$5,000 for each violation of ORS 697.612 or 697.642 to
9 697.702, rules adopted under ORS 697.632 or order issued under ORS 697.825.

10 38. Because Respondents have violated ORS 697.612(1)(b)(A), ORS 697.732(1),
11 ORS 697.692(1), ORS 697.662(12)(b), and ORS 697.642(1), the Director may impose a
12 civil penalty on Respondents in an amount not to exceed \$5,000 for each violation.

13 **ORDERS**

14 Now, therefore, the Director issues the following ORDERS:

15 Order to Cease and Desist

16 39. Pursuant to ORS 697.825(1)(a), the Director hereby ORDERS Respondents,
17 and all entities owned or controlled by Respondents, their successors and assignees, to
18 CEASE AND DESIST from violating ORS 697.612(1)(b)(A), ORS 697.732(1), ORS
19 697.692(1), ORS 697.662(12)(b), and ORS 697.642(1).

20 Order Assessing Civil Penalties

21 40. Pursuant to the authority of ORS 697.832(1), the Director hereby ORDERS the
22 assessment of CIVIL PENALTIES against Respondents, jointly and severally, in the
23 amount of fifteen thousand dollars (\$15,000) for violating ORS 697.612(1)(b)(A), ORS
24 697.692(1), ORS 697.662(12)(b), and ORS 697.642(1), and an additional five thousand
25 dollars (\$5,000) against Respondent Thompson for violating ORS 697.732(1).

26 ///



1 **FINAL ORDER**

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

5 IT IS SO ORDERED.

6 Dated this 30th day of August, 2022.

7 ANDREW R. STOLFI, Director
8 Department of Consumer and Business Services

9
10 /s/Dorothy Bean
11 Dorothy Bean, Chief of Enforcement
12 Division of Financial Regulation

13 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

14 Judicial review of final orders in contested cases is governed by ORS 183.482.
15 Respondents may request judicial review by filing a petition with the Court of Appeals in
16 Salem, Oregon, within 60 days from the date this order is served.

17 Division of Financial Regulation
18 Labor and Industries Building
19 350 Winter Street NE, Suite 410
20 Salem, OR 97301-3881
21 Telephone: (503) 378-4387

