

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

In the Matter of:

Case No. DM-18-0019

Lamont Garner Karriem dba Hope for Home
aka Hope 4 Home aka Etnom One LLC,

**Final Order to Cease and Desist and
Final Order Assessing Civil Penalties
Entered by Default**

Respondents.

On September 25, 2018 the Director of the Department of Consumer and Business Services for the State of Oregon (the Director), acting pursuant to the Oregon statutes regulating Debt Management Service Providers, ORS 697.602 to 697.842, OAR 441-910-0000 through 441-910-0200 (hereinafter “the Oregon Debt Management Service Provider law”), properly served notice on Lamont Garner Karriem, dba Hope for Home, aka Hope 4 Home, aka Etnom One LLC (Respondents) that the Director intended to assess civil penalties against Respondents for violations of the Oregon Debt Management Service Provider laws. The notice offered Respondents the opportunity to request a hearing if requested within 20 days of date of service. The notice further informed Respondents that if a hearing was not conducted because Respondents did not make a timely request for a hearing or otherwise defaulted, then the designated portion of the Director’s file and all materials submitted by Respondents in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case. Respondents did not timely request a hearing and the Director did not hold a hearing. The Director finds that the record of this proceeding proves a *prima facie* case .

FINDINGS OF FACTS

The Director finds that:

1. At all times material to this Order, Respondents conducted business at 12523 Limonite Avenue, Mira Loma, California 91752.

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1 2. Respondents have never been registered as Debt Management Service Providers with the
2 State of Oregon. None of the Respondents have ever been registered with the Oregon Secretary of
3 State to do business in Oregon.

4 3. At all times material to this Order, consumer SG was an Oregon resident and a party to a
5 residential mortgage loan secured by real property located in Oregon.

6 4. On or about September 7, 2017, the Division of Financial Regulation (Division) received a
7 complaint from SG. As part of the complaint, SG forwarded an email she received earlier in the
8 day from Corbin Gutierrez (Gutierrez), a representative of Hope for Home, aka Hope 4 Home
9 (Hope). The email address used by Gutierrez was legaldisclosures@hopeforhome.org.

10 5. In the email, Hope informed SG that her home was in foreclosure. Hope further told SG
11 that she was in danger of losing her home and that there was a limited time to respond. SG's
12 home was not in foreclosure nor was SG in default on her loan.

13 6. The email from Hope contained an attachment that appeared to be from First American
14 Title Insurance Company. The document, titled "Notice of Default and Election to Sell Under
15 Deed of Trust," included a recording date of September 5, 2017, and represented that the property
16 may be sold without any court action. The document did not identify SG or the property address.

17 7. The email from Hope urged SG to contact Hope immediately to discuss her options for
18 saving her home.

19 8. Approximately a week later on September 14, 2017, Hope sent SG another email
20 representing that SG was in serious danger of losing her home, and urging SG to contact Hope to
21 discuss what options may be available to her to save her home. The email attached a
22 "Designation of Trustee Certificate." The document specifically identified SG and her property
23 and represented that a successor trustee had been appointed for SG's mortgage on the property.

24 9. A review of Hope's website revealed that the company was in the loan modification
25 business. One of the statements on the website states, "Hope 4 Home is fully compliant with all

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1 state and local regulators related to mortgage modification and prevention services.” This
2 statement is not true as Hope is not registered to provide debt management services in Oregon.

3 10. During its investigation, the Division determined that the mail box for Hope was and
4 continues to be located at a UPS store whose address is 12523 Limonite Ave, Mira Loma,
5 California. Information provided by the UPS store shows that Lamont Garner Karriem (Karriem)
6 was the person who opened the mail box account at the UPS store in November of 2009.

7 11. A review of the Better Business Bureau’s (BBB) website reveals that Hope was registered
8 in California as a limited liability company at the address listed in Paragraph 1 above in 2009
9 and that Karriem was one of the business managers. Hope received an “F” rating and was not
10 accredited by the BBB.

11 12. The Division determined that Hope for Home was a dba of Etnom One LLC (Etnom).
12 Etnom was registered with the State of California as of September 2010 but the company’s
13 registration is currently FTB Suspended. Karriem was listed as a managing member of Etnom.

14 13. Etnom filed a Chapter 7 Bankruptcy case in the California Central Bankruptcy Court, Case
15 No. 2:15-bk-27646, on November 18, 2015. The matter was dismissed on December 4, 2015 and
16 terminated on February 23, 2016.

17 14. The website for Hope, www.hope4home.org, is still active as of the date of this Order.

18 15. The State of Connecticut issued a Cease and Desist Order that included civil penalties
19 against Lamont G. Karriem dba Hope for Home on December 1, 2015. The Order was issued for
20 debt negotiation violations.

21 CONCLUSIONS OF LAW

22 The Director concludes that:

23 1. Respondents engaged in debt management services as defined under ORS 697.602(2)(c)
24 when they received or expected to receive money or other valuable consideration from SG in
25 return for modifying or offering to modify the terms and conditions of SG’s existing loan.

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

3 3. Respondents violated ORS 697.612(1)(b)(E) by providing advice, assistance, instruction or
4 instruction material regarding a debt management service to Oregon consumer SG when
5 Respondents were not registered as Oregon debt management service providers.

6 4. Respondents violated ORS 697.662(1) by making an untrue or misleading statement that
7 Respondents knew or in the exercise of reasonable care should have known was untrue or
8 misleading by misrepresenting that SG's home was in foreclosure and by misrepresenting that
9 Hope was fully compliant with all state regulations related to mortgage modification and
10 prevention services.

11
12 **ORDERS**

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

14 1. Pursuant to ORS 697.825(1)(a) the Director hereby orders Respondents and all entities
15 owned or controlled by Respondents to cease and desist from violating the Oregon Debt
16 Management Service Provider law.

17 2. Pursuant to the authority of ORS 697.832(1), the Director may assess a civil penalty in an
18 amount of not more than \$5,000 per violation against any person who violates ORS 697.612 or
19 697.642 to 697.702, the rules adopted under ORS 697.632, or any order issued under ORS
20 697.825.

21 3. The Director orders Respondents to pay civil penalties, jointly and severally, in the
22 amount of \$20,000 as follows:

- 23 a. \$5,000 for committing one violation of ORS 697.612(1)(a):
24 b. \$5,000 for committing one violation of ORS 697.612(1)(b)(E);
25 c. \$10,000 for committing two violations of ORS 697.662(1).

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1 4. This Order is a “Final Order” under ORS 183.310(6)(b) subject to that provision entry of
2 this Order in no way limits remedies which may be available to the Director under Oregon law.

3 Dated this 22nd day of October, 2018.

4 CAMERON C. SMITH Director
5 Department of Consumer and Business Services

6
7 /S/ Dorothy Bean
8 Dorothy Bean, Chief Enforcement Officer
9 Division of Financial Regulation

10 NOTICE: You may be entitled to judicial review of this Order. Judicial review may be obtained
11 by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service
12 of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court
13 of Appeals.
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