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

In the Matter of: APPLE LAW GROUP, INC., a California Business Corporation, Respondent.	Case No. DM-19-0044 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, ORDER PROHIBITING REGISTRATION AS AN OREGON DEBT MANAGEMENT SERVICE PROVIDER, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") 697.602 et seq. and Oregon Administrative Rules ("OAR") 441-910-0000 through 441-910-0200 (collectively, "Oregon Debt Management Service Provider Law"), inquired into the activities of Apple Law Group, Inc. ("Respondent"). The Director and Respondent agree to this Order to resolve concerns relating to compliance of the Oregon Debt Management Service Provider Law

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a California corporation with a principal place of business located at 5000 Birch St. #3000, Newport Beach, CA 92660.

2. Respondent enters into agreements to represent consumers relating to their third-party consumer debt obligations.

3. Respondent collects monthly payments from its consumer debt clients.

4. At no time has Respondent been registered to perform debt management services in Oregon.[1]

5. From in or around 2012 through in or around 2018, Respondent entered into representation agreements with eight Oregon residents ("the Oregon Clients") pursuant to which Respondent offered to receive money from the Oregon Clients and distribute it amongst their creditors in full or partial payment of their third-party debt obligations. The Oregon Clients paid Respondent as follows:

A. "JT" paid Respondent $8,400;

B. "EB/KB" paid Respondent $3,850;

C. "AK" paid Respondent $8,241;

D. "KG" paid Respondent $14,811;

E. "BH" paid Respondent $11,310;

F. "RJ" paid Respondent $10,240;

G. "NP" paid Respondent $19,911; and

H. "FF" paid Respondent $10,198.

6. Respondent charged JT and EB/KB fees in excess of $65 a month.

7. Respondent's written agreements with JT and EB/KB did not include all the disclosures and information required by the Oregon Debt Management Service Provider Law.

8. Respondent did not provide JT and EB/KB with documentation stating the maximum amount Respondent could charge them for its services under the Oregon Debt Management Service Provider Law.

9. On or around May 9, 2019, Respondent refunded the Oregon Clients the sums identified in Paragraph (5).

[1] Respondent asserts it did not believe it was required to be so registered because of its status as a law firm.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. By offering to receive, and receiving, funds from the Oregon Clients to distribute amongst their creditors in full or partial payment of their debts, Respondent performed "debt management services" as defined under ORS 697.602(2)(a).

11. By performing debt management services for the Oregon Clients without being registered with the Director as a debt management service provider, Respondent violated ORS 697.612(1)(a).

12. By charging JT and EB/KB retainer fees in amounts or installments that exceeded $65 a month, Respondent violated ORS 697.692(1)(d).

13. By entering into written agreements with JT and EB/KB which did not provide all required disclosures and information, Respondent violated ORS 697.652(1).

14. By failing to provide JT and EB/KB with documentation stating the maximum amount Respondents could charge them for its services under the Oregon Debt Management Service Provider Law, Respondent violated ORS 697.707(2)(a).

15. Because the Director has reason to believe that Respondent has engaged in violations of the Oregon Debt Management Service Provider Law, the Director may issue an order to Respondent to cease and desist from violations of the Oregon Debt Management Service Provider Law under ORS 697.825(1)(a).

ORDERS

Now therefore, the Director issues the following Orders:

16. As authorized by ORS 697.825(1)(a), the Director ORDERS Respondent to CEASE AND DESIST from violating the Oregon Debt Management Service Provider Law.

17. Respondent hereby AGREES not to perform any activities that require registration under the Oregon Debt Management Service Provider Law and not to seek

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registration as an Oregon debt management service provider.

18. As authorized by ORS 697.832(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $62,500 as follows:

A. $40,000 for violating ORS 697.612(1)(a) in eight instances;

B. $10,000 for violating ORS 697.692 in two instances;

C. $10,000 for violating ORS 697.652 in two instances; and

D. $2,500 for violating ORS 697.707 in two instances.

19. The Director hereby suspends payment of $52,500 of the CIVIL PENALTY for a period of three years, provided Respondent:

A. Pays the remaining $10,000 of the CIVIL PENALTY pursuant to the terms of this Order; and

B. Does not violate the Oregon Debt Management Service Provider Law within the three-year time period.

20. The non-suspended CIVIL PENALTY assessed herein ($10,000) is due and payable as follows:

A. $2,000 at the time this Order is returned to the Division;

B. $2,000 by October 1, 2019;

C. $2,000 by November 1, 2019;

D. $2,000 by December 2, 2019; and

E. $2,000 by January 2, 2020.

21. The suspended CIVIL PENALTY ($52,500) will be waived three years from the date this Order is finalized, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

22. This Order is binding upon Respondent's successors and assigns.

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23. 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 17th day of September, 2019.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

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

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ENTITY CONSENT TO ENTRY OF ORDER

I, Peter Schroepfer, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Debt Management Service Provider Law with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect debt management services in Oregon. Respondent understands that this Consent Order is a public document.

Signature: /s/ Pete Schroepfer

Position Held: President

State of California

County of Santa Clara

Signed or attested before me on this 9th day of September, 2019 by Pete Schroepfer.

/s/ Sally Riccitiello
Notary Public

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