

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

In the Matter of:

Case No. DM-19-0096

DEBT ASSISTANCE NETWORK, LLC, a  
Nevada Limited Liability Company,

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

Respondent.

On September 25, 2019, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), by and through the Division of Financial Regulation (“Division”), served an Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing (“Notice”) on Debt Assistance Network, LLC (“Respondent”).

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division’s file and all materials submitted by Respondent 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 Respondent 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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Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. Respondent is a Nevada limited liability company with a principal place of  
4 business at 4700 S. Apache Rd., Suite 300, Las Vegas, NV 89147.

5 2. Respondent contracts with consumers to:

6 A. Attempt to improve the terms and conditions of their third-party debt  
7 obligations; and

8 B. Make payments to their creditors to satisfy their debts.

9 3. At no time has Respondent been registered to perform debt management  
10 services in Oregon.

11 4. From in or around 2016 through in or around 2017, Respondent contracted with  
12 17 Oregon residents (“the Oregon Clients”) to perform the services described in Paragraph

13 (2). The Oregon Clients are identified as follows:

OREGON CLIENT	APPROXIMATE CONTRACT DATE
DC	7/7/17
C. De.	10/19/16
C. Do.	5/31/17
JD	8/22/17
SE	8/8/17
RG	3/16/17
J. Hel.	11/19/16
J. Hen.	5/19/17
SJ	7/7/17
MK	7/4/17
KL	4/26/17

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1	AL	8/18/17
2	JM	1/13/17
3	RP	1/30/17
4	JP	5/17/17
5	LS	1/30/17
6	DT	5/24/16

7

8 5. Respondent charged the Oregon Clients the following fees:

- 9 A. A \$250 “administration fee;”
- 10 B. A \$100 fee per enrolled debt obligation;
- 11 C. A \$59.95 monthly “account maintenance fee;” and
- 12 D. A fee equivalent to 45% of each client’s total enrolled debt.

13 6. The Oregon Clients paid Respondent the foregoing fees, which were structured

14 into monthly payment plans.

15 7. Respondent did not provide any of the Oregon Clients with a separate budget

16 analysis that evaluated whether the services Respondent proposed to perform were

17 advantageous to the client.

18 8. Respondent did not provide any of the Oregon Clients with documentation

19 stating the maximum amount Respondent could charge for its services under the Oregon

20 Debt Management Service Provider Law.

21 9. Respondent’s business model was to decline to pay creditors, with the

22 expectation the creditor would give up on receiving payment and “charge off” the

23 consumer’s debt. However, a charged off debt does not relieve a consumer of their

24 obligation to repay the debt. Rather, charged off debts are often assigned to collection

25 agencies that attempt to collect the debt, frequently with additional interest and fees. In

26 addition, charged off debts cause significant harm to a consumer’s credit rating.



1 10. On or around July 12, 2019, the Director directed numerous inquiries to  
2 Respondent regarding its Oregon debt management activities. Respondent failed to  
3 respond to the Director's inquiries.

4 CONCLUSIONS OF LAW

5 The Director CONCLUDES that:

6 11. By offering to receive, and receiving, funds from the Oregon Clients to  
7 distribute amongst their creditors in full or partial payment of their debts, Respondent  
8 performed "debt management services" as defined under Oregon Revised Statutes ("ORS")  
9 697.602(2)(a).

10 12. By offering to modify the terms of the Oregon Clients' consumer debt  
11 obligations, Respondent performed "debt management services" as defined under ORS  
12 697.602(2)(c).

13 13. By performing debt management services for the Oregon Clients without being  
14 registered with the Director as a debt management service provider, Respondent violated  
15 ORS 697.612(1)(a) in 17 instances.

16 14. By charging the Oregon Clients an initial fee of more than \$50, Respondent  
17 violated ORS 697.692(1)(a) in 17 instances.

18 15. By charging the Oregon Clients a \$100 fee per enrolled debt obligation,  
19 Respondent violated ORS 697.692(1) in 17 instances.

20 16. Respondent violated ORS 697.692(1)(c) and (d) in 17 instances by charging the  
21 Oregon Clients fees:

22 A. That exceeded 15% of their total enrolled debt; and

23 B. That exceeded \$65 a month.

24 17. By failing to provide the Oregon Clients with separate budget analyses,  
25 Respondent violated ORS 697.652(2) in 17 instances.

26 18. By failing to provide the Oregon Clients with documentation stating the



1 maximum amount Respondent could charge them for its services under the Oregon Debt  
2 Management Service Provider Law,<sup>1</sup> Respondent violated ORS 697.707(2)(a) in 17  
3 instances.

4 19. Because the Director has reason to believe that Respondent has engaged in  
5 violations of the Oregon Debt Management Service Provider Law, the Director may issue  
6 an order to Respondent to cease and desist from violations of ORS 697.612, ORS 697.692,  
7 ORS 697.652 and ORS 697.707, under ORS 697.825(1)(a).

8 20. In addition to any other liability or penalty provided by law, the Director may  
9 impose a civil penalty on a person in an amount not to exceed \$5,000 for each violation of  
10 ORS 697.612 and ORS 697.642 to ORS 697.702, under ORS 697.832(1).

11 **ORDERS**

12 Now therefore, the Director issues the following Orders:

13 21. As authorized by ORS 697.825(1)(a), the Director hereby ORDERS  
14 Respondent to CEASE AND DESIST from violating ORS 697.612, ORS 697.692, ORS  
15 697.652 and ORS 697.707.

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26 <sup>1</sup> See ORS 697.602 et seq. and Oregon Administrative Rules (“OAR”) 441-910-0000 through 441-910-0200.

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1 22. As authorized by ORS 697.832(1), the Director hereby ORDERS that  
2 Respondent be subject to a CIVIL PENALTY of \$100,000 as follows:  
3 A. \$40,000 for violating ORS 697.612(1)(a);  
4 B. \$40,000 for violating ORS 697.692;  
5 C. \$10,000 for violating ORS 697.652; and  
6 D. \$10,000 for violating ORS 697.707.

7  
8 SO ORDERED this 22<sup>nd</sup> day of October, 2019.

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

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

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NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with 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 this order is served.

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