

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

In the Matter of:

Case No. DM-19-0065

DELAY GROUP, CORP. dba THE DEBT
MANAGEMENT GROUP, a New York
Business Corporation,

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

Respondent.

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”), conducted an investigation into the activities of Delay Group, Corp. dba The Debt Management Group (“Respondent”) and determined that Respondent engaged in activities constituting violations 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.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a New York corporation with a principal place of business located at 2653 Coney Island Ave., Brooklyn, NY 11223. Respondent’s Nationwide Multistate Licensing System (“NMLS”) number is 1809682
2. From in or around February 2017 through in or around March 2019, Respondent

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1 contracted with 85 Oregon residents (“Oregon Clients”) to reduce or attempt to reduce their
2 third-party debt obligations.

3 3. Respondent was not registered to perform debt management services in Oregon
4 when it entered into the foregoing contracts.

5 4. Respondent charged 60 of the Oregon Clients fees in amounts or installments
6 that exceeded \$65 a month. In total, Respondent collected \$94,894.44 in excessive fees
7 from the Oregon Clients.

8 5. Respondent has refunded all excessive fee payments.

9 6. Respondent has fully cooperated with the Director’s investigation of this
10 matter.

11 7. On July 23, 2019, Respondent was issued an Oregon debt management service
12 provider registration.

13 CONCLUSIONS OF LAW

14 The Director CONCLUDES that:

15 8. By modifying or attempting to modify the debt obligations of the Oregon
16 Clients, Respondent performed “debt management services” as defined under ORS
17 697.602(2)(c).

18 9. By performing debt management services for the Oregon Clients without being
19 registered with the Director as a debt management service provider, Respondent violated
20 ORS 697.612(1)(a) in 85 instances.

21 10. By charging 60 of the Oregon Clients fees in amounts or installments that
22 exceeded \$65 a month, Respondent violated ORS 697.692(1)(d) in 60 instances.

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

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1 12. The Director may impose a civil penalty on a person in an amount not to exceed
2 \$5,000 for each violation of ORS 697.612 or 697.642 to 697.702, rules adopted under ORS
3 697.632 or order issued under ORS 697.825.

4 ORDERS

5 Now therefore, the Director issues the following Orders:

6 13. As authorized by ORS 697.825(1)(a), the Director ORDERS Respondent to
7 CEASE AND DESIST from violating ORS 697.612(1)(a) and/or ORS 697.692(1)(d).

8 14. As authorized by ORS 697.832(1), the Director hereby proposes to ORDER
9 that Respondent be subject to a CIVIL PENALTY of \$115,000 as follows:

10 A. \$85,000 for violating ORS 697.612(1)(a); and

11 B. \$30,000 for violating ORS 697.692(1)(d).

12 15. The Director hereby suspends payment of \$105,000 of the civil penalty for a
13 period of three years, provided Respondent:

14 A. Pays the remaining \$10,000 of the civil penalty at the time this Order is
15 submitted to the Director; and

16 B. Does not violate ORS 697.612(1)(a) and/or ORS 697.692(1)(d) within
17 the three-year time period.

18 16. The suspended civil penalty (\$105,000) will be waived three years from the
19 date this Order is finalized, provided Respondent has complied with the foregoing Order
20 terms. The Director reserves the right to immediately assess and collect the suspended
21 civil penalty upon a determination that Respondent has violated any term of this Order.

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

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

4 SO ORDERED this 4th day of December, 2019.

5 LOUIS SAVAGE, Acting Director
6 Department of Consumer and Business Services

7 /s/ Dorothy Bean
8 Dorothy Bean Chief of Enforcement
9 Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Edward Sparacio, 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 unless such activities are in full compliance with the Oregon Debt Management Service Provider Law. Respondent understands that this Consent Order is a public document.

Signature: /s/ Edward Sparacio

Position Held: President

State of New York

County of Kings

Signed or attested before me on this 18th day of November, 2019

by Edward C. Sparacio.

/s/ Marina Shevchenko

Notary Public

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