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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. DM-19-0009

7 GRADUATE DOC PREP LLC,

8 Respondent.

9 FINAL ORDER TO CEASE AND
10 DESIST AND ORDER ASSESSING
11 CIVIL PENALTIES, ENTERED BY
12 DEFAULT

13 On February 12, 2019, the Director of the Department of Consumer and Business
14 Services for the State of Oregon (“the Director”), through the Division of Financial
15 Regulation (“the Division”), properly served Graduate Doc Prep LLC (“GDP”) an Order
16 to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a
17 Hearing (“Notice Order”) via regular and certified United States mail at the following
18 addresses:

19 A. 135 E. Harmon Avenue Ste 7701, Las Vegas, NV 89109 and

20 B. 301 S. Las Palmas Ave., Los Angeles, CA 90020.

21 On February 21, 2019, the Director, through the Division, also personally served
22 the Notice Order on GDP through the Oregon Secretary of State at 255 Capitol Street NE,
23 Suite 151, Salem, OR 97310.

24 The Notice Order offered GDP an opportunity for a hearing, if requested in writing
25 within 20 days. The Notice Order further informed GDP that if a hearing was not conducted
26 because GDP did not timely request a hearing or otherwise defaulted, then the designated
portion of the Division’s file, which includes all materials GDP submitted, would
automatically become part of the contested case record to prove a *prima facie* case. GDP
has not made a written request for a contested hearing, and the time to do so has expired.

After considering the relevant portions of the Division’s file in this matter, the

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1 Director finds that the record proves a *prima facie* case.

2 Now, therefore, the Director makes the following Findings of Fact and Conclusions
3 of Law and issues the following Orders.

4 **FINDINGS OF FACT**

5 The Director FINDS that:

6 1. GDP is a Nevada company with a business mailing address of 135 E. Harmon
7 Avenue Ste 7701, Las Vegas, NV 89109. Its website, which is currently active, is
8 <http://graduatedocprep.com>.

9 2. GDP's Nevada business license expired on January 31, 2018, and it is in default.

10 3. Oliver Marshak is the manager and registered agent of GDP.

11 4. GDP is a document preparation company. It assists borrowers in preparing their
12 applications to the various student loan repayment, consolidation, and forgiveness
13 programs of the U.S. Department of Education ("DOE").

14 5. GDP is neither registered with the Oregon Secretary of State to do business in
15 Oregon nor registered with the Division as a debt management service provider ("DMSP").

16 6. One of DOE's loan forgiveness programs is the Borrower Defense to
17 Repayment, which allows borrowers to obtain forgiveness of their federal student loans if
18 their school misled them or violated certain state laws.

19 7. On or about November 1, 2016, GDP agreed via written contract ("Contract")
20 to prepare the Borrower Defense to Repayment application of SS, an Oregon resident. Per
21 the Contract, the preparation of SS's application included "conducting a customary and
22 propriety series of investigations and interviews to determine if the borrower has a
23 likelihood of successfully having his/her student loans dismissed, along with the filing of
24 true and accurate documentation based on the clients [sic] testimony."

25 8. The Contract included an authorization for GDP to charge SS a fee of \$799,
26 which SS paid on or about November 2, 2016.

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- 1 9. DOE denied SS's application because GDP submitted incorrect documents.
2 10. SS contacted GDP several times but GDP failed to respond. GDP did not refund
3 the \$799 fee that SS paid.

4 **CONCLUSIONS OF LAW**

5 The Director CONCLUDES that:

- 6 11. Because the Director has reason to believe that GDP has violated the Oregon
7 Debt Management Service Provider Law, the Director is authorized under ORS
8 697.825(1)(a) to order GDP to cease and desist from violating the Oregon Debt
9 Management Service Provider Law.
- 10 12. By agreeing to prepare SS's Borrower Defense to Repayment application for a
11 fee as described in Paragraphs 7 and 8 of this Order, GDP modified or offered to modify
12 the terms and conditions of an existing loan from or obligation to a third party.
- 13 13. By modifying or offering to modify terms and conditions of an existing loan
14 from or obligation to a third party, GDP performed a debt management service as defined
15 in ORS 697.602(2)(c).
- 16 14. By performing a debt management service without being registered with the
17 Division, GDP violated ORS 697.612(1)(a).
- 18 15. By charging SS an initial fee of \$799, GDP violated ORS 697.692(1)(a), which
19 prohibits a DMSP from charging more than a \$50 initial fee.
- 20 16. ORS 697.832(1) authorizes the Director to assess a civil penalty against GDP
21 of up to \$5,000 per violation of the Oregon Debt Management Service Provider Law.

22 **ORDERS**

23 Now therefore, the Director issues the following:

- 24 17. As authorized by ORS 697.825(1)(a), the Director ORDERS GDP to CEASE
25 AND DESIST from violating the Oregon Debt Management Service Provider Law.
- 26 18. As authorized by ORS 697.832(1), the Director hereby ORDERS GDP to pay



1 Ten Thousand Dollars (\$10,000) in total civil penalties, allocated as follows:
2 A. Five Thousand Dollars (\$5,000) for violating ORS 697.612(1)(a) and
3 B. Five Thousand Dollars (\$5,000) for violating ORS 697.692(1)(a).
4 19. This is a “Final Order” under ORS 183.310(6)(b). Subject to that provision, the
5 entry of this Order does not limit further remedies which may be available to the Director
6 under Oregon law.

7 SO ORDERED this 14th day of March, 2019.

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

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

14 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

15 Except as provided ORS 697.825(2)(e), you may be entitled to judicial review of
16 this Order under ORS 183.482. You may request judicial review by filing a petition with
17 the Court of Appeals in Salem, Oregon, within 60 days from the date this Order is served.

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