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

In the Matter of: Patrick A. Sizemore dba Sizemore Law Group and M3 Investments LLC, Respondents.	**DM-18-0017a** **Final Order to Cease and Desist, Consent to Entry of Order, and Final Order Assessing Civil Penalties as to Patrick A. Sizemore dba Sizemore Law Group.**

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"), investigated the activities of Patrick A. Sizemore dba Sizemore Law Group (Sizemore) and M3 Investments LLC (M3). This Order pertains to Sizemore only. The M3 matter was addressed in a separate order and resulted in a Final Order entered on Default in Case No DM18-0017.

Sizemore now wishes to resolve and settle this matter with the Director. Sizemore neither admits nor denies the matters set forth in this document. As evidenced by the authorized signature subscribed on this order, Sizemore consents to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACTS

The Director finds that:

1. At all times material to this Order, Sizemore had several reported business addresses. The addresses used were, 120 Stony Point Road, Santa Rosa, California; 122 Calistoga Road #328 Santa Rosa, California; and 2515 E Market Street, Harrisonburg, Virginia.

2. At all times material to this Order, Sizemore was not licensed to practice law in the State of Oregon nor was he registered in Oregon to provide debt management services. Sizemore was

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licensed to practice law in California but was suspended for 90 days beginning on August 29, 2018 for among other things, failing to return advanced client fees. Sizemore is no longer practicing law in California.

3. At all times material to this order, M3 was registered to do business in the State of Virginia. M3's Articles of Incorporation were first filed in March of 2003 and were voluntarily cancelled on January 24, 2018. Adam Hafford (Hafford) was the registered agent and sole member. The last address listed for the business was on Traveler Road in Harrisonburg, Virginia. At some point, Hafford moved some of the business to 122 Calistoga Road #328, Santa Rosa, CA. Sizemore also used this address. Although documentation from Sizemore to the Oregon consumers contained Sizemore's address in California, the documents were generated by M3 from its call center in Harrisonburg, Virginia.

4. At all times material to this order, M3 was not registered in Oregon to provide debt management services nor was M3 registered with the Oregon Secretary of State to conduct business in Oregon.

5. Global Client Solutions LLC (Global) was first organized in Oklahoma in 2003 and was first registered to do business in Oregon in 2013. Global is a nationwide third-party processor for consumers that are enrolled in debt settlement programs.

6. At all times material to this order, the consumers listed below were Oregon consumers and were party to agreements with Sizemore for debt modification services. The Oregon consumers were also party to an agreement with Global. The time period of the agreements between Sizemore and the Oregon consumers varies from as early as 2009 forward. The same is true for the contracts with Global.

7. The list below is not an exhaustive list of the number of Oregon consumers but rather a representative list:

MA of Portland, OR	EB of Prineville, OR	MJ of Newberg, OR
CC of Portland, OR	NC of Hermiston, OR	SEG of Gladstone, OR
SJ of Eugene, OR	CK of Bend, OR	HW of La Pine, OR

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TK of Beaverton, OR JL of Ashland, OR GM of Terrbonne, OR

DR of Florence, OR KS of Hermiston, OR BS of Gaston, OR

A & MG of The Dalles, OR

8. Sizemore required the Oregon consumers to sign a Client Service Agreement or a Debt Reduction Agreement (Service Agreement). Both titles were given to documents that were substantially the same.

9. The Service Agreement contained the caption "Sizemore Law Group," Patrick Sizemore's California Bar number, a phone number, and an email address for Sizemore Law Group. The listed email addresses was contract@SizemoreLaw.net and the website address was www.sizemorelaw.net, and the physical address, if listed, was a California location. Some of the Service Agreements did not contain any physical address.

10. The Service Agreement represented that Sizemore would negotiate specified unsecured debts for the consumer. The consumers were provided additional documents as part of the Service Agreement that they were required to sign or initial, all of which referenced Sizemore.

11. The consumers were required to enter into a Dedicated Account Agreement & Application (Account Agreement) with Global. The Account Agreement required the creation of a dedicated account that was set up at a bank selected by Global in which the consumers would deposit funds. The account was set up to accumulate funds in connection with the debt settlement program "sponsored" by the organization that was named in the Account Agreement. The "sponsor "in all of the Account Agreements was M3, not Sizemore.

12. The Service Agreement required the consumers to pay an initial fee in excess of the statutory allowable amount in Oregon of $50. The fee was often in excess of several hundred dollars. Some of the consumers paid into the dedicated account for a number of years with little or no results.

13. As an example, the Service Agreement between Sizemore and Oregon consumer EB required EB to make a monthly payment to the dedicated account in the amount of $519. Of

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that amount, the Service Agreement provided that Sizemore would retain $417.83 per month as fees for services to be provided and $59.85 in monthly maintenance fees. However, upon information and belief, M3 received all or most of the monthly service fees and maintenance fees.

14. Other Oregon consumers were assessed similar advanced fees for debt modification services to be provided at a later date.

15. Between March 2013 and March 2016, EB deposited no less than $16,608.00 into the dedicated account for purposes of negotiating his debt. While EB made $2,085.00 in withdrawals from that account, and Respondents refunded $4,187.16 of the amount to EB in October of 2016 following a request from the Division, EB still paid a total of $10,355.84 to Respondents.

16. At the time of engaging Sizemore's debt management services, EB had credit card debt with only one company in the amount of approximately $50,000. However, because Sizemore did nothing to diminish EB's debt, the credit card company obtained a judgment against EB for approximately $54,000.

17. Upon further request from the Division, Adam Hafford of M3, not Sizemore, sent EB an additional refund check for $419.00. This amount was still $9,916.84 less than EB paid to Respondents.

18. Apparently as a result of the Division's involvement, M3 issued refunds to Oregon consumers, but not for the amounts most consumers were entitled to and with no explanation as to why the consumer's accounts were being closed.

19. The Division's investigation revealed that the Oregon consumers generally were not familiar with M3 but all were aware of Sizemore as all of the correspondence they received regarding the Service Agreement bore Sizemore's name and address.

20. The Division's investigation further revealed that M3 and Hafford were the primary parties involved in the services described in this Order. Upon information and believe, Patrick

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Sizemore agreed to allow M3 to use his name for a fee, and agreed to provide some consultation services on behalf of M3. Patrick Sizemore was a former client of M3.

21. Sizemore remained in California while Sizemore Law Group operated out of Harrisonburg, Virginia under the direction of M3. All of the Oregon consumer contact was conducted from Virginia with M3's personnel.

22. M3's personnel used Sizemore's name and address on all of their correspondence and M3's staff consistently used titles such as "Legal Assistant to Patrick Sizemore" to further the impression to consumers that the consumers were receiving the services of an attorney or law firm when they were not.

23. Patrick Sizemore, Sizemore Law Group, and M3were all inextricable interwoven so that they are nearly indistinguishable from the perspective of the Oregon consumers.

24. On December 18, 2015, the Director issued a Final Order to Cease and Desist and Order Assessing Civil Penalties Entered by Consent to Sizemore Law Group, A Professional Corporation, concluding that Sizemore had engaged in unregistered debt management service provider activities in Oregon. Patrick Sizemore signed the Consent Order.

25. At the time of the 2015 Order, Sizemore represented to the Division that he was closing his debt management services, that he was retiring from the practice of law and that he had approximately 59 Oregon clients. Sizemore did not provide any identifying information regarding those clients. Despite Sizemore's representations to the Division, Sizemore never ceased business until late in 2017.

CONCLUSIONS OF LAW

The Director concludes that:

1. Sizemore engaged in debt management services, as defined in ORS 697.602(2)(a) when he received money from Oregon consumers, including but not limited to those consumers set out in Paragraph 7 above, for the purpose of distributing the funds among the consumers' creditors in full or partial payment of the consumer's debts.

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2. Sizemore violated ORS 697.612(1)(a) by performing a debt management service for Oregon consumers, including but not limited to those consumers listed in paragraph 7 above, without being registered with the Director to provide such a service.

3. Sizemore violated ORS 697.612(1)(b)(E) by providing advice, assistance, instruction or instruction material regarding a debt management service to Oregon consumers, including but not limited to the consumers listed in paragraph 7 above, without being registered with the Director to provide such a service.

4. Sizemore violated ORS 697.692(1)(a) be accepting or receiving an initial fee of more than $50 from Oregon consumers, including but not limited to those consumers listed in paragraph 7 above.

5. Sizemore violated ORS 697.692(1)(c) by accepting or receiving a monthly fee from Oregon consumers, including but not limited to those consumers listed in paragraph 7 above, in excess of 15 percent of the funds that Respondents received for payment to the Oregon consumers' creditors. In any event, the amount retained by Sizemore for the monthly maintenance fee was in excess of the statutorily allowable amount of $65.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

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

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

3. The Director orders Sizemore, to pay civil penalties, jointly and severely, in the amount of $120,000 as follows:

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a. $40,000 for 16 violations of ORS 697.612(1)(a) or ORS 697.612(1)(b)(E);

b. $40,000 for 16 violations ORS 697.692(1)(a);

c. $40,000 for 16 violations ORS 697.692(1)(c).

4. However, the Division will suspend $115,200 of the civil penalty of as long as Sizemore does not violate any provision of this Order. If Sizemore is found to have committed a violation of this Order within three years from the date of the Order, then the suspended portion of the assessed civil penalty will become immediately due and payable. If Sizemore does not violate the conditions of this Order during a three-year period, the suspended portion of the civil penalty is hereby waived at the end of three years from the date this Order is fully executed.

5. The amount of $4,800 in civil penalties shall be submitted to the Director by Sizemore as follows:

a. All monthly payments in the amount of $200 shall be due no later than 5 p.m. on the third day of each month beginning on June 3, 2019, and continuing on the same day each month thereafter until the full amount of $4,800 is paid in full;

b. In no event shall the total amount of Civil Penalties paid be less than $4,800.

Dated this 21st day of May, 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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CONSENT TO ENTRY OF ORDER

I, Patrick A. Sizemore, dba Sizemore Law Group, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and the right to be represented by an attorney; that I voluntarily and without any force or duress, consent to the entry of this Consent Order, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Oregon Debt Management Service Provider law and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 16th day of May 2019.

/S/ Patrick A. Sizemore
Patrick A. Sizemore

ACKNOWLEDGMENT

State of California)
)ss.
County of _____)

This instrument was acknowledged before me on _____, 2019 by _____.

_____
Notary Public

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A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

California All-Purpose Acknowledgement

State of California } SS.
County of Sonoma

On May 16, 2019 before me Michal Marie Ostrow, Notary Public
personally appeared Patrick A. Sizemore
Name(s) of Signer(s)
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

MICHAL MARIE OSTROW
COMM. #2155152
NOTARY PUBLIC - CALIFORNIA
SONOMA COUNTY
My Comm. Expires MAY 29, 2020

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Optional

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of the Attached Document:

Title of Type of Document: Consent to Entry of order

Document Date: May 16, 2019 Number of Pages: 1

Signer(s) Other Than Named Above: None