

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

In the Matter of

Case No. DM-18-0103

TRISTAR CONSUMER LAW, PC,  
TRISTAR CONSUMER LAW  
ORGANIZATION (NKA AMERICAN  
CONSUMER RIGHTS  
ORGANIZATION), TRISTAR  
CONSUMER LAW FOUNDATION,  
AND JUDSON PHILLIPS,

Respondents

FINAL ORDER TO CEASE AND  
DESIST AND FINAL ORDER  
ASSESSING CIVIL PENALTIES,  
ENTERED BY DEFAULT  
**AS TO RESPONDENTS TRISTAR  
CONSUMER LAW, PC, TRISTAR  
CONSUMER LAW ORGANIZATION  
(NKA AMERICAN CONSUMER  
RIGHTS ORGANIZATION), AND  
TRISTAR CONSUMER LAW  
FOUNDATION**

On March 19, 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 Notice of Administrative Order DM-18-0103 (“Notice”) on Tristar Consumer Law, PC, Tristar Consumer Law Organization (now known as American Consumer Rights Organization), Tristar Consumer Law Foundation, and Judson Phillips (“Respondents”), providing notice that the Director intended to issue an order to cease and desist and assess civil penalties for violations of Oregon Revised Statutes (“ORS”) 697.602 to 697.842 and the Oregon Administrative Rules (“OAR”) promulgated under those statutes (collectively, the “Oregon Debt Management Service Provider Law”).

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further stated that, in accordance with OAR 137-003-0550(2)-(4), a hearing request that is submitted on behalf of a corporation, partnership, limited liability company, unincorporated association, trust, or governmental body by a person that is not licensed to practice law in Oregon must be ratified, in

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1 writing, by a person that is allowed to practice law in Oregon within 28 days from the day  
2 the hearing request was received by the Director. The Notice stated that the Director may  
3 enter a final order by default against any party that does not file a request for hearing  
4 within 20 days from the date of service or files a hearing request but does not timely  
5 ratify it. Finally, the Notice informed Respondents that the Director designated the file in  
6 this matter, including any materials submitted by Respondents, as the record in this case  
7 and that it contains sufficient evidence to support a final order by default should the  
8 Director issue such an order.

9 On March 19, 2019, the Division served the Notice via the United States Postal  
10 Service, return receipt requested and regular first-class mail, on all Respondents.

11 On March 25, 2019, Respondents Tristar Consumer Law, PC and Tristar  
12 Consumer Law Organization (now known as American Consumer Rights Organization)  
13 (“ACRO”) signed certified mailing receipts, confirming delivery of the Notice on that  
14 date.

15 The Notice served on Respondent Tristar Consumer Law Foundation was  
16 returned as undeliverable. On April 9, 2019, in accordance with ORS 60.731(2)(c), the  
17 Division served the Oregon Secretary of State as agent for Respondent Tristar Consumer  
18 Law Foundation.

19 On April 4, 2019, Respondent ACRO, a Tennessee corporation, submitted a  
20 request for hearing through counsel. The Division received that request via electronic  
21 mail on April 4, 2019, and via regular mail on April 8, 2019. Respondent ACRO’s  
22 counsel who submitted that hearing request was not and is not licensed to practice law in  
23 Oregon. The Division notified Respondent ACRO’s counsel on at least two occasions  
24 that a person licensed to practice law in Oregon must ratify Respondent ACRO’s request  
25 for hearing within 28 days from the day the Division received the hearing request. The  
26 Division also indicated that this information is contained in the Notice. No attorney

1 licensed to practice law in Oregon ever ratified that request for hearing or submitted a  
2 separate request for hearing.

3 Respondents Tristar Consumer Law, PC and Tristar Consumer Law Foundation  
4 never submitted a request for hearing or otherwise responded to the Notice.

5 The Director did not conduct a hearing in this matter.

6 The Division may issue a final order by default if a Respondent fails to make a  
7 valid hearing request within the time allowed. OAR 137-003-0075(1); OAR 137-003-  
8 0672(2). Because Respondents Tristar Consumer Law, PC and Tristar Consumer Law  
9 Foundation never submitted a request for hearing and because Respondent ACRO failed  
10 to have an attorney licensed to practice law in Oregon ratify its request for hearing, the  
11 Division may enter an order by default against those Respondents.

12 The Director finds that the record of this proceeding proves a prima facie case.

13 Now, therefore, after considering the relevant portions of the Division’s file  
14 relating to this matter, the Director finds and orders as follows with respect to  
15 Respondents Tristar Consumer Law, PC, Tristar Consumer Law Foundation, and ACRO.

16 **FINDINGS OF FACT**

17 The Director FINDS that:

18 1. At all relevant times, Respondent Tristar Consumer Law, PC was registered as  
19 a for-profit professional corporation with a principal place of business in Memphis,  
20 Tennessee.<sup>1</sup>

21 2. At all relevant times, Respondent Judson Phillips (“Phillips”) was a control  
22 person of Respondent Tristar Consumer Law, PC.

23 3. At all relevant times, Phillips held out himself as an attorney<sup>2</sup> and held out  
24 Tristar Consumer Law, PC as a law firm that provides debt management and legal

25 \_\_\_\_\_  
26 <sup>1</sup> On August 8, 2018, this Respondent was administratively dissolved by the Tennessee Secretary of State.  
<sup>2</sup> Phillips was a licensed attorney in Tennessee until August 24, 2018, at which time he was disbarred. At  
no time has Phillips been licensed as an attorney in Oregon.





1 services to its clients.

2 4. Respondents Tristar Consumer Law, PC, Tristar Consumer Law Organization  
3 (now known as American Consumer Rights Organization), and Tristar Consumer Law  
4 Foundation (the “Entity Respondents”) have operated and/or are operating the same  
5 business scheme and they have engaged and/or are engaging in the same business  
6 practices as one another.

7 5. At all relevant times, a consumer identified herein as “JH” has been an  
8 Oregon Resident living in South Beach, Oregon.

9 6. On or about November 16, 2017, Respondents sent JH a packet entitled “New  
10 Client Documents,” which included an “Engagement Agreement” and “Payment  
11 Authorization Forms” (collectively, the “New Client Documents”). As described more  
12 fully below, Respondents indicated they would provide JH with consumer debt  
13 consolidation services in exchange for a fee.

14 7. The Engagement Agreement indicated that Respondents would “represent  
15 [JH] in connection with legal matters concerning validation of [her] unsecured debt, and  
16 various matters related thereto.” The Engagement Agreement specified that Respondents  
17 would provide debt management services to JH, including: drafting of letters to credit  
18 card companies, collection agencies, or credit bureaus; reviewing of any responses to  
19 those letters and drafting further responses; assisting with credit report discrepancies; and  
20 providing “best efforts to settle (by means of validation, reduction, and/or adjustment)  
21 [JH’s] unvalidated debt.”

22 8. The Engagement Agreement required JH to pay Respondents “Legal Fees,  
23 Costs, and Expenses” totaling \$7,386.68. Such fees were due at the time the Engagement  
24 Agreement was signed and Respondents would not perform any services until the fees  
25 were paid.

26 9. On or about November 16, 2017, JH signed and submitted the Engagement



1 Agreement to Respondents.

2 10. On or about November 16, 2017, JH completed and submitted the Payment  
3 Authorization Form to Respondents. Using that form, JH paid Respondents \$7,386.68 via  
4 credit card in two separate payments, one for \$3,693 and one for \$3,693.68.

5 11. JH signed the New Client Documents and paid the \$7,386.68 fee to  
6 Respondents because Respondents led her to believe that they would help reduce her  
7 consumer debt obligations. Specifically, JH understood and believed that Respondents  
8 would negotiate a payment plan that would allow her to repay her credit card principal  
9 balance over time and not pay any interest charges.

10 12. On or about April 12, 2018, the Division received an Oregon Consumer  
11 Complaint Form that JH filed with the Oregon Department of Justice.

12 13. On April 12, 2018, the Division sent a letter to Respondent Tristar Consumer  
13 Law, PC to request information about Oregon consumers to whom it provided debt  
14 management services.

15 14. In a letter dated April 24, 2018, Phillips responded to the Division's April 12  
16 letter. Phillips stated in part, "Tristar is a law firm in Tennessee and as such, provides  
17 legal services to our clients." Phillips did not provide any further substantive responses  
18 regarding Oregon consumers to whom he or Tristar Consumer Law, PC provided debt  
19 management services. The Division subsequently attempted to contact Phillips via  
20 telephone and left voicemails to which Phillips did not respond.

21 15. The April 24 letter from Phillips included two contact mailing addresses, one  
22 of which is the address registered with the Tennessee Secretary of State to Respondent  
23 Tristar Consumer Law, PC (5865 Ridgeway Center Parkway, Suite 300, Memphis, TN  
24 38120) and one of which is the address registered with the Tennessee Secretary of State  
25 to Respondent Tristar Consumer Law Organization, now known as American Consumer  
26 Rights Organization (4636 Lebanon Pike, #431, Hermitage, TN 37076).



1       16.    On May 18, 2018, Respondent Tristar Consumer Law Foundation registered  
2 with the Tennessee Secretary of State’s office using the same registered agent address  
3 and principal address as Respondent Tristar Consumer Law Organization, now known as  
4 American Consumer Rights Organization (4636 Lebanon Pike, #431, Hermitage, TN  
5 37076).

6       17.    On July 10, 2018, Respondent Tristar Consumer Law Organization changed  
7 its name with the Tennessee Secretary of State’s Office to American Consumer Rights  
8 Organization.

9       18.    On November 1, 2018, a Division investigator called Respondent Tristar  
10 Consumer Law, PC at the telephone number listed in the New Client Documents. The  
11 person who answered the phone indicated that the number belonged to “Tristar Consumer  
12 Law.” The call was then transferred to a second person, who indicated that the Division  
13 had contacted the “American Consumer Rights Organization.” That second person  
14 declined to provide the Division with additional information.

15       19.    On November 1, 2018, the Tennessee Secretary of State’s office informed a  
16 Division investigator that Judson Phillips is the incorporator of Respondent Tristar  
17 Consumer Law Organization, now known as American Consumer Rights Organization.

18       20.    Respondents are not and never have been registered with the Oregon  
19 Secretary of State to conduct business in Oregon, nor have they ever registered an  
20 assumed business name under ORS chapter 648.

21       21.    Respondents are not and never have been registered with the Division to  
22 provide debt management services in Oregon.

23       22.    Respondents have never filed with the Director a bond issued by one or more  
24 corporate sureties authorized to do business in Oregon.

25       ///

26       ///

1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

3 23. At all relevant times, Respondent Phillips was a control person of all Entity  
4 Respondents.

5 24. By sending the New Client Documents to JH and by agreeing to perform, or  
6 by representing that it could or would perform, the services contained in the New Client  
7 Documents, Respondents conducted business in Oregon.

8 25. Under ORS 697.602(2), “debt management service” includes an activity for  
9 which a person receives money or other valuable consideration or expects to receive  
10 money or valuable consideration in return for

11 \*\*\*

12 (b) Improving or offering to improve or preserve a consumer’s credit record,  
13 credit history, or credit rating;

14 (c) Modifying or offering to modify terms and conditions of an existing loan from  
15 or obligation to a third party; or

16 (d) Obtaining or attempting to obtain as an intermediary on a consumer’s behalf a  
17 concession from a creditor including, but not limited to, a reduction in the  
18 principal, interest, penalties, or fees associated with a debt.

19 26. Respondents performed “debt management services,” as defined in ORS  
20 697.602(2)(b), (c), and (d), respectively, when Respondents received money or expected  
21 to receive money in return for: offering to send letters to and negotiate with credit  
22 bureaus on behalf of JH and assist with credit report discrepancies; offering to modify the  
23 terms and conditions of JH’s obligations to her credit card companies; and agreeing to  
24 attempt to obtain as an intermediary on JH’s behalf a concession from her creditors,  
25 including settling her debt by means of a validation, reduction, and/or adjustment of JH’s  
26 debt with her credit card debt.

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1       27. Under ORS 697.602(3), “debt management service provider” means a person  
2 that resides or does business in this state and provides or performs, or represents that the  
3 person can or will provide or perform, a debt management service in return for or in  
4 expectation of money or other valuable consideration.

5       28. Respondents acted as “debt management service provider,” as defined in ORS  
6 697.602(3), when they conducted business in Oregon and represented that they could or  
7 would provide or perform the debt management services contained in the New Client  
8 Documents in return for or in the expectation of money.

9       29. Under ORS 697.632(1), debt management service providers shall be  
10 registered with the Director unless exempt from registration.

11       30. Under ORS 697.612(1)(b)(A), a person that has not registered with the  
12 Director under ORS 697.632 may not engage in business in this state in the course of  
13 which the person receives money or other valuable consideration or expects to receive  
14 money or other valuable consideration for soliciting or receiving an application from a  
15 consumer for a debt management service.

16       31. By engaging in business in Oregon and receiving or expecting to receive  
17 money as a result of soliciting or receiving an application from consumer JH to provide  
18 debt management services without registering with the Director under ORS 697.632 as a  
19 debt management service provider, Respondents violated ORS 697.612(1)(b)(A).

20       32. Under ORS 697.692(1)(a), a debt management service provider may charge a  
21 consumer an initial fee of not more than \$50.

22       33. By charging JH “Legal Fees, Costs, and Expenses” totaling \$7,386.68 upon  
23 execution of the Engagement Agreement and prior to performing any work, Respondents  
24 charged JH an initial fee in excess of \$50, in violation of ORS 697.692(1)(a).

25       34. Under ORS 697.662(12)(b), a debt management service provider or a person  
26 required to obtain a registration as a debt management service provider under ORS





1 697.612 may not publish, distribute, or broadcast or cause to be published, distributed, or  
2 broadcast an advertisement, presentation, or other communication or promotional  
3 material that identifies the debt management service provider or person by a name other  
4 than the name that appears on the registration that the Director issued or the assumed  
5 business name that the debt management service provider or person registered under ORS  
6 chapter 648.

7 35. By publishing or distributing or by causing to be published or distributed the  
8 New Client Documents, in which Respondents did not identify themselves with a name  
9 registered with the Director or an assumed business name registered under ORS chapter  
10 648, Respondents violated ORS 697.662(12)(b).

11 36. Under ORS 697.662(12)(d)(A), a debt management service provider or a  
12 person required to obtain a registration as a debt management service provider under  
13 ORS 697.612 may not publish, distribute, or broadcast or cause to be published,  
14 distributed, or broadcast an advertisement, presentation, or other communication or  
15 promotional material that misrepresents, directly or indirectly the nature of a service the  
16 debt management service provider or person will perform.

17 37. By publishing or distributing or by causing to be published or distributed the  
18 New Client Documents, which included material that misrepresented the nature of the  
19 services that Respondents would perform – as Respondents could not, were not licensed  
20 to, and otherwise failed to perform the services they promised to perform in the New  
21 Client Documents – Respondents violated ORS 697.662(12)(d)(A).

22 38. Under ORS 697.642(1), a debt management service provide shall file with the  
23 Director a bond issued by one or more corporate sureties authorized to do business in this  
24 state.

25 39. By agreeing to provide debt management services without first filing with the  
26 Director a bond issued by one or more corporate sureties authorized to do business in

1 Oregon, Respondents violated ORS 697.642(1).

2 40. Under ORS 697.825(1)(a), the Director may, if the Director has reason to  
3 believe that a person violated, is violating, or is about to violate ORS 697.612, 697.642 to  
4 697.702 or 697.752, a rule adopted under ORS 697.632 or an order issued under ORS  
5 697.652 or 697.732, issue an order to cease and desist from the violation.

6 41. Because the Director has reason to believe that Respondents have violated and  
7 are violating ORS 697.612(1)(b)(A), ORS 697.692(1)(a), ORS 697.692(1)(a), ORS  
8 697.692(1)(d), ORS 697.662(12)(b), ORS 697.662(12)(d)(A), and ORS 697.642(1), the  
9 Director may issue an order to cease and desist against Respondents.

10 42. Under ORS 697.832(1), the Director may impose a civil penalty on a person  
11 in an amount not to exceed \$5,000 for each violation of ORS 697.612 or 697.642 to  
12 697.702, rules adopted under ORS 697.632 or order issued under ORS 697.825.

13 43. Because Respondents have violated ORS 697.612(1)(b)(A), ORS  
14 697.692(1)(a), ORS 697.662(12)(b), ORS 697.662(12)(d)(A), and ORS 697.642(1), the  
15 Director may impose a civil penalty on Respondents in an amount not to exceed \$5,000  
16 for each violation.

17 **ORDERS**

18 The Director ISSUES the following ORDERS:

19 *Order to Cease and Desist*

20 44. Pursuant to ORS 697.825(1)(a) the Director hereby ORDERS Respondents  
21 Tristar Consumer Law, PC, Tristar Consumer Law Foundation, and Tristar Consumer  
22 Law Organization (now known as American Consumer Rights Organization), and all  
23 entities owned or controlled by those Respondents, their successors and assignees, to  
24 CEASE AND DESIST from violating any provision of the Oregon Debt Management  
25 Service Provider Law, ORS 697.602 to 697.842, and any administrative rule adopted by  
26 the Director under those statutes.



Order Assessing Civil Penalties

45. Pursuant to the authority of ORS 697.832(1), for the foregoing violations of the Oregon Debt Management Service Provider Law, ORS 697.602 to 607.842, the Director hereby ORDERS the assessment of CIVIL PENALTIES against Tristar Consumer Law, PC, Tristar Consumer Law Foundation, and Tristar Consumer Law Organization (now known as American Consumer Rights Organization), jointly and severally, in the amount of twenty thousand dollars (\$20,000.00) as follows:

A. A CIVIL PENALTY of five thousand dollars (\$5,000.00) for engaging in unlicensed activity in Oregon, including receiving money for soliciting or receiving an application from a consumer for a debt management service without being registered as a debt management service provider, in violation of ORS 697.612(1).

B. A CIVIL PENALTY of five thousand dollars (\$5,000.00) for charging and receiving fees from an Oregon consumer for the performance of debt management services in excess of those permitted under ORS 697.692(1);

C. A CIVIL PENALTY of five thousand dollars (\$5,000.00) for publishing or distributing, or causing to be published or distributed, the New Client Documents, in which Respondents did not identify themselves with a name registered with the Director and which included material misrepresentations regarding the nature of the services that Respondents would perform, in violation of ORS 697.662(12)(b) and ORS 697.662(12)(d)(A), respectively; and

D. A CIVIL PENALTY of five thousand dollars (\$5,000.00) for agreeing to provide debt management services for an Oregon consumer without first filing with the Director a bond, in violation of ORS 697.642.

46. Entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order,

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1 for violations of this Order, for conduct or actions of Respondents Tristar Consumer Law,  
2 PC, Tristar Consumer Law Foundation, and Tristar Consumer Law Organization (now  
3 known as American Consumer Rights Organization), that are not covered by this Order,  
4 or against any party not covered by this Order.

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

8 IT IS SO ORDERED.

9 Dated this 7th day of May, 2019.

10 CAMERON SMITH, Director  
11 Department of Consumer and Business Services

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

16 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

17 Judicial review of final orders in contested cases is governed by ORS 183.482.  
18 Respondents Tristar Consumer Law, PC, Tristar Consumer Law Foundation, and Tristar  
19 Consumer Law Organization (now known as American Consumer Rights Organization),  
20 may request judicial review by filing a petition with the Court of Appeals in Salem,  
21 Oregon, within 60 days from the date this order is served.

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