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

In the Matter of: VEHICLE REPAIR SERVICES OF AMERICA LLC dba SAFEGUARD AUTO DIRECT, an inactive Wyoming Limited Liability Company, and CHRISTOPHER M. HUDDLESTON dba VEHICLE REPAIR SERVICES OF AMERICA LLC dba SAFEGUARD AUTO DIRECT, an Individual, Respondents.	Case No. INS-20-0022 FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER TO ASSESS CIVIL PENALTIES, ENTERED BY DEFAULT

On April 23, 2020, 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 to Assess Civil Penalties, and Notice of Right to a Hearing ("Notice") on Vehicle Repair Services of America LLC dba Safeguard Auto Direct ("Safeguard") and Christopher M. Huddleston dba Vehicle Repair Services of America LLC dba Safeguard Auto Direct ("Huddleston") (collectively, "Respondents").

The Notice offered Respondents an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice further informed Respondents that if a hearing was not conducted because Respondents did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondents 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 Respondents a request for a hearing and did not

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conduct a hearing.

FINDINGS OF FACT

The Director FINDS that:

1. At all relevant times through April 11, 2018, Safeguard was a Wyoming limited liability company with a principal place of business located at 30 N. Gould St., Suite 6050, Sheridan, Wyoming 82801.[1]

2. At all relevant times, Huddleston owned and controlled Safeguard. He continued to conduct business as Safeguard following its administrative dissolution.

3. From in or around January 2018 through the present, Respondents solicited and sold limited duration contracts to Oregon consumers that indemnified the repair or maintenance of their motor vehicles ("Service Contracts").

4. On or around December 5, 2018, Respondents, or an individual acting on their behalf, contacted Oregon consumer "SS" to solicit the sale of a service contract.[2]

5. During the solicitation, Respondents did not describe the terms of the Service Contract to SS in detail. SS did not consent to entering into a Service Contract.

6. Following the solicitation, Respondents bound SS to a Service Contract and began charging her $202 a month.

7. Between in or around January 2019 and October 2019, SS contacted Respondents multiple times to inform them she had not agreed to enter the Service Contract and to request that the contract be cancelled. Each time, Respondents refused to cancel her policy and/or provide her with any refund.

8. On or around October 31, 2019, the Director issued a subpoena to Respondents to produce records for inspection regarding this matter. Huddleston twice refused service of the subpoena.

[1] Safeguard administratively dissolved on April 11, 2018.
[2] SS was over 80 years old at the time.

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9. On or around December 9, 2019, the Director issued a second subpoena to Respondents to produce the requested records. Respondents failed to provide any response to the subpoena.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. SS's Service Contract is a "service contract" under ORS 646A.154(1)(a).

11. By offering and selling a service contract to SS, Respondents engaged in a transaction, practice and course of business that operated as a fraud and deceit, in violation of ORS 646A.158(2)(d), by:

A. Failing to adequately describe to her the terms of the service contract;

B. Entering her into the service contract without her knowledge or consent; and

C. Disregarding her repeated requests to cancel the service contract.

12. By failing to respond to the Director's subpoenas and make their service contract records available for inspection, Respondents violated ORS 646A.162(2).

13. Because the Director has reason to believe that Respondents have been engaged, are engaging, or are about to engage in violations of ORS 646A.158, the Director may issue an order to Respondents to cease and desist, pursuant to ORS 646A.162(5).

14. Under ORS 646A.162(6), the Director may impose a civil penalty of up to $10,000 *per violation* upon any person who violates ORS 646A.158.[3]

ORDERS

Now therefore, the Director issues the following Orders:

15. As authorized by ORS 646A.162(5), the Director hereby ORDERS Respondents to CEASE AND DESIST from violating ORS 646A.158(2).

[3] ORS 646A.162(6) authorizes a maximum of $2,000 for the first violation, $5,000 for the second violation, and $10,000 for any subsequent violations.

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16. As authorized by ORS 646A.162(6), the Director hereby ORDERS that Respondents be jointly and severally subject to a CIVIL PENALTY of $2,000 for violating ORS 646.158(2)(d).

SO ORDERED this 2nd day of June, 2020.

ANDREW R. STOLFI, Acting Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
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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