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

In the Matter of: CA ENTERPRISES, a California corporation, (dba PREMIER SERVICES and PREMIER LEGAL SERVICES) Respondent.	Case No. DM-20-0051 ORDER TO CEASE AND DESIST, AND ORDER ASSESSING CIVIL PENALTIES, ENTERED BY DEFAULT

On December 17, 2020, the Division of Financial Regulation ("Division") acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), served Notice of Administrative Order DM-20-0051 ("Notice Order") on CA Enterprises (dba Premier Services and Premier Legal Services) referred to in this Order as the "Respondent." The Notice Order provided notice that the Director issued an order to cease and desist and proposed an order assessing civil penalties against Respondents for violations of Oregon Revised Statutes ("ORS") 86A.095 to 86A.198 (the "Oregon Mortgage Lender Law"), 697.602 et seq. and Oregon Administrative Rules ("OAR") 441-910-0000 through 441-910-0200 (collectively, "Oregon Debt Management Service Provider Law").

The Notice Order offered Respondent an opportunity for a hearing if requested within 20 days of the Notice Order. The Notice Order further informed Respondent that if a hearing were not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Division's file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a prima facie case.

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The Director did not receive from Respondent a request for a hearing and did not conduct a hearing.

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

Now, therefore, after considering the relevant portions of the Division's file relating to this matter, the Director finds and orders as follows.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a California corporation. On its mailings, Respondent identifies its principal place of business as 790 East Colorado Boulevard, Suite 900, Pasadena, CA 91101; however, the Division's investigation showed that this is a virtual office. Respondent's filings with the California secretary of state indicate that Respondent's address for service of process is 1912 E Vernon Ave #100, Los Angeles, CA 90058. On knowledge and belief, Respondent's principal place of business is 10737 Laurel Street suite 200, Rancho Cucamonga, CA 91730.

2. Respondent does business under the names "Premier Services" and "Premier Legal Services." Respondent registered a website for Premier Legal Services at https://premierlegalservices.net.

3. At no time has Respondent been registered to perform debt management services or licensed to act as a mortgage broker in Oregon.

4. On or about December 3, 2019, Respondent entered into a contract with an Oregon consumer—identified in this Order as JC—to assist JC in avoiding foreclosure on their family home located in Eugene, Oregon, and to restructure the mortgage on that residence.

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5. Respondent had previously mailed solicitations to JC holding out the prospect that Respondent could forestall or reverse the foreclosure sale of JC's family home and offering "Re-Negotiation Assistance" to reduce JC's rate of interest and monthly mortgage payments.

6. Respondent charged JC $2,200 to assist JC in avoiding foreclosure. Payment was made in two installments: $1,500 on December 3, 2019, and $700 on January 2, 2020.

7. Despite receiving these funds from JC, Respondent took no action on JC's behalf and JC's home was foreclosed upon and the foreclosure sale was not reversed.

CONCLUSIONS OF LAW

Unlicensed Mortgage Broker Activities

1. ORS 86A.103(1) forbids any person from engaging "in residential mortgage transactions in this state as a * * * mortgage broker" without a license.

2. Under ORS 86A.100(5)(a), a "mortgage broker" includes any person who, "for compensation, or in the expectation of compensation, either directly or indirectly makes, negotiates, or offers to make or negotiate a mortgage loan."

3. By offering to modify the payment terms of JC's residential mortgage loan in exchange for a fee, while not being licensed as a mortgage broker in Oregon, Respondent violated ORS 86A.103(1).

Prohibited Mortgage Broker Activities

4. ORS 86A.154(3) prohibits persons engaged in mortgage broker activities from engaging in "any act, practice or course of business which operates or would operate as a fraud or deceit upon any person."

5. By representing to JC through mailings and otherwise that Respondent would forestall or reverse the foreclosure sale of JC's family home, but failing to take any action on behalf of JC to forestall or reverse the foreclosure, Respondent engaged in a deceitful course of business against Oregon consumer JC, in violation of ORS 86A.154(3).

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Unregistered DMSP Activity

6. ORS 697.612(1)(a) forbids persons not registered with the Director from performing debt management services in Oregon.

7. Under ORS 697.602(2)(c) "Debt Management Service" includes, among other things, "modifying or offering to modify terms and conditions of an existing loan from or obligation to a third party," if that activity is done for money or other valuable consideration.

8. By offering to modify the payment terms of Oregon consumer JC's mortgage loans in exchange for a fee without being registered with the Director as a debt management service provider ("DMSP"), Respondent violated ORS 697.612(1)(a).

Improper Written Agreement

9. Under ORS 697.652(1)(d), a DMSP may not perform debt management services without first entering into a written agreement with the consumer that itemizes the fees the DMSP will charge, and explains how the DMSP calculated the amount of the fees.

10. By failing to provide JC with the itemization of fees required by ORS 697.652(1)(d), Respondent violated ORS 697.652(1)(d).

Failure to Perform Budget Analysis

11. Under ORS 697.652(2), A debt management service provider may not contract to perform debt management services for a consumer without first giving the consumer an analysis of the consumer's budget that is separate from the agreement and that evaluates whether the debt management services being offered are advantageous to the consumer.

12. By failing to provide JC with a separate budget analysis, Respondent violated ORS 697.652(2).

Excessive Fees

13. Under ORS 697.692, a DMSP may charge a consumer only the fees itemized in ORS 697.692(1).

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14. Under ORS 697.692(1)(a), an initial fee charged by a DMSP may not exceed $50.

15. By charging and collecting in advance from JC a fee for its services in excess of $50, Respondent violated ORS 697.692(1)(a).

16. Under ORS 697.692(1)(d), the fee of a DMSP who does not hold funds on behalf of a consumer (a) may not exceed 15 percent of the consumer's indebtedness, and (b) must be payable in monthly installments not to exceed $65 per month.

17. By charging and collecting in advance from JC a lump sum for its services that was not payable in monthly installments of $65 or less, Respondent violated ORS 697.692(1)(d).

Prohibited DMSP Activities

18. Under ORS 697.662(12)(d)(A), a DMSP or a person required to register as a DMSP may not "Publish, distribute, or broadcast, or cause to be published, distributed, or broadcast an advertisement, presentation, or other communication or promotional material that * * * misrepresents, directly or indirectly * * * the nature of a service the debt management service provider or person will perform."

19. By representing to JC through mailings and otherwise that Respondent would forestall or reverse the foreclosure sale of JC's family home, but failing to take any action on behalf of JC to forestall or reverse the foreclosure, Respondent misrepresented the nature of the services they intended to perform, in violation ORS 697.662(12)(d)(A).

Cease and Desist Authority

20. Under ORS 86A.127, because the Director has reason to believe that Respondent has engaged in violations of the Oregon Mortgage Lender Law, the Director may issue an order to Respondent to cease and desist from violations of ORS 86A.095 to ORS 86A.198.

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21. Under ORS 697.825(1)(a), because the Director has reason to believe that Respondent has engaged in violations of the Oregon Debt Management Service Provider Law, the Director may issue an order to Respondent to cease and desist from violations of the Oregon Debt Management Service Provider Law.

Civil Penalties Authority

22. Under ORS 86A.992(1), the Director may impose a civil penalty not to exceed $5,000 against "any person who violates or who procures, aids, or abets in the violation of any provision of ORS 86A.095 to 86A.198."

23. Under ORS 697.832(1), the Director may impose a civil penalty in an amount not to exceed $5,000 for each violation of ORS 697.612 and ORS 697.642 to ORS 697.702.

ORDERS

Now therefore, the Director issues the following Orders:

Cease and Desist

24. As authorized by ORS 86A.127, the Director ORDERS Respondent to CEASE AND DESIST from violating ORS 86A.103(1) and 86A.154(3).

25. As authorized by ORS 697.825(1)(a), the Director ORDERS Respondent to CEASE AND DESIST from violating ORS 697.612, 697.652, 697.662, and 697.692.

Civil Penalties

26. As authorized by ORS 86A.992(1) (Oregon Mortgage Lender Law violations) and ORS 697.832(1) (DMSP violations), the Director hereby ORDERS that Respondent pay $30,000 in CIVIL PENALTIES as follows:

a. $5,000 for engaging in unlicensed mortgage broker activity, in violation of ORS 86A.103, and unregistered DMSP activities, in violation of ORS 697.612(1)(a);

b. $5,000 for engaging in prohibited mortgage broker activities, in violation of ORS 86A.154(3);

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c. $5,000 for entering into an improper agreement to perform DMSP activities, in violation of ORS 697.652(1)(d);

d. $5,000 for entering into an agreement to perform DMSP activities without performing a separate budgetary analysis, in violation of ORS 697.652(2);

e. $5,000 for charging fees for DMSP services in excess of those permitted under ORS 697.692(1)(a) and (d); and

f. $5,000 for engaging in prohibited DMSP activities, in violation of ORS 697.662(12)(d)(A).

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Respondent 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.

SO ORDERED this 4th day of February, 2021.

Andrew R. Stolfi, Director
Department of Consumer and Business Services

s/Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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