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

In the Matter of: STRATEGIC OPTIONS 2717, LLC, RESPONDENT.	Case No. DM-20-0097 FINAL ORDER TO CEASE AND DESIST, ENTERED BY DEFAULT

On April 16, 2021, 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 INS-20-0097 ("Notice") on Strategic Options 2717, LLC ("Respondent"). The Notice provided notice that the Director issued an order to cease and desist for violations of Oregon Revised Statutes ("ORS") 697.602 to 697.842 (the "Oregon Debt Management Service Provider Law"), and the Oregon Administrative Rules ("OAR") promulgated under those laws.

The Notice offered Respondent an opportunity for a hearing if requested within 20 days of service of the Notice. The Notice 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.

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.

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Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. At all relevant times, Respondent has been a Florida limited liability company with a principal place of business at 7405 Lake Worth Road, Lake Worth, FL 33467.

2. At all relevant times, an individual identified herein as EG was an Oregon resident.

3. In 2018 EG hired a firm to provide him with debt management services stemming from consumer debts owed to multiple creditors. That firm referred EG to Respondent, who agreed to assist EG.

4. Respondent holds itself out as providing services relating to credit card debt, debt modification, and credit repair.

5. On July 23, 2020, Respondent's agent contacted EG to inquire about EG's employment status, income level, unemployment insurance income, and other issues that would be relevant to servicing EG's debt.

6. On August 5, 2020, EG exchanged emails with Jim Morton ("Morton"), the registered agent and manager of Respondent. Morton also holds himself out as "President/CEO" of Respondent. In those emails, EG acknowledged working with Respondent but denied having any complaints against Respondent.

7. On August 11, 2020, Morton sent the Division a letter acknowledging EG as a "client" but denied that EG paid Respondent any money or that Respondent was providing services that would require EG to pay Respondent any fees.

8. On August 17, 2020, upon receipt of Morton's August 11 letter, the Division emailed Morton to request additional information from Respondent, including details about the services Respondent offered or provided EG and any other Oregon consumers. Respondent never replied to that email.

9. On October 27, 2020, the Division served a subpoena on Respondent seeking

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information about debt management services that Respondent provided to Oregon consumers, including contracts and information about fees Respondent collected for those services (the "Subpoena"). Morton was served with and signed for the Subpoena.

10. At no time did Respondent reply to the Subpoena.

11. Upon information and belief, Respondent received or expected to receive money or other valuable consideration in exchange for providing debt management services to EG.

12. Upon information and belief, Respondent provided EG with advice, assistance, instruction, or instructional material concerning a debt management service.

13. At no time has Respondent been registered in Oregon as a debt management service provider.

CONCLUSIONS OF LAW

The Director concludes that:

14. Under ORS 697.732(1)(b)(A), to enforce the Debt Management Service Providers Law, the Director may undertake an investigation, including an investigation outside this state, that the Director considers necessary to determine whether a debt management service provider or a person required to obtain a registration as a debt management service provider under ORS 697.612 violated, is violating, or is about to violate ORS 697.612 or 697.642 to 697.702 or a rule the Director adopted under ORS 697.632.

15. Under ORS 697.732(1)(d), to enforce the Debt Management Service Providers Law, the Director may subpoena witnesses and require a person that the Director is investigating to produce books, papers, correspondence, memoranda, agreements or other documents or records that the Director deems relevant or material to the investigation.

16. By failing to respond to the Subpoena, Respondent violated ORS

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697.732(1)(d).

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

18. The Director has reason to believe that Respondent violated ORS 697.612(1)(a) and (1)(b)(A) because the Director believes that Respondent performed a debt management service to Oregon consumer EG and because the Director believes that Respondent received or expected to receive money or other valuable consideration for soliciting or receiving an application from Oregon consumer EG for a debt management service without being registered under ORS 697.632 as a debt management service provider.

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

20. Because the Director has reason to believe that Respondent has violated and is violating ORS 697.612(1)(a) and (1)(b)(A), the Director may issue an order against Respondent to cease and desist from those violations.

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ORDER

Now, therefore, the Director issues the following ORDER:

Order to Cease and Desist

21. Pursuant to ORS 697.825(1)(a) the Director hereby ORDERS Respondent, and all entities owned or controlled by Respondent, its successors and assignees, to

CEASE AND DESIST from violating ORS 697.612(1)(a) and (1)(b)(A).

FINAL ORDER

22. 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.

IT IS SO ORDERED.

Dated this 29th day of June, 2021.

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

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

NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482. Respondents 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. Under ORS 697.825(2)(e), a person who does not request a contested case hearing may not obtain judicial review of the order.

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