

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

In the Matter of:

Case No. DM-21-0053

DOCUSERVICE LLC,

Respondent.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY CONSENT

The Director of the Department of Consumer and Business Services for the State of Oregon (the “Director”) investigated the business activities of DocuService LLC (“DocuService” or the “company”) and determined that DocuService violated certain provisions of Oregon Revised Statutes (“ORS”) 697.602 through 697.842 and Oregon Administrative Rules (“OAR”) 441-910-0000 through 441-910-0200 (collectively, the “Oregon Debt Management Service Provider Law”).

DocuService cooperated with the Division’s investigation and wishes to settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature(s) subscribed in this Order, DocuService hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law below.

FINDINGS OF FACT

The Director FINDS that:

1. DocuService is a California company with a business address of 5296 Achilles Circle, La Palma, California 90623.
2. For a fee, DocuService prepares borrowers’ applications to the student loan repayment, consolidation, and forgiveness programs of the U.S. Department of Education

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1 (“DOE”). Borrowers, however, may apply directly to the DOE’s programs from free.

2 3. DocuService was never registered with the Oregon Secretary of State to conduct
3 business in Oregon or with the Director as a debt management service provider (“DMSP”).

4 4. From 2019 to 2020, DocuService offered or provided services to at least 63
5 Oregon consumers. Of those, 38 Oregon consumers paid the company a total of \$28,689.67
6 in fees as follows:

- | | | |
|----|--------------------|---------------------|
| 7 | A. HP - \$1,299.00 | T. FS - \$359.40 |
| 8 | B. ST - \$199.80 | U. LA - \$1,108.00 |
| 9 | C. TB - \$119.80 | V. MM - \$1,031.00 |
| 10 | D. LH - \$119.80 | W. PB - \$599.00 |
| 11 | E. SM - \$119.67 | X. KK - \$1,127.00 |
| 12 | F. SE - \$599.00 | Y. JS - \$1,183.20 |
| 13 | G. MS - \$832.00 | Z. SM - \$1,075.00 |
| 14 | H. GW - \$994.00 | AA. JM - \$599.00 |
| 15 | I. DA - \$479.20 | BB. AO - \$1,456.00 |
| 16 | J. BR - \$119.80 | CC. AP - \$951.00 |
| 17 | K. ZA - \$1,305.00 | DD. TJ - \$1,318.00 |
| 18 | L. AW - \$713.00 | EE. VD - \$599.00 |
| 19 | M. RP - \$918.00 | FF. LN - \$479.20 |
| 20 | N. SK - \$846.00 | GG. BM - \$694.00 |
| 21 | O. ST - \$794.00 | HH. WS - 1,105.00 |
| 22 | P. AC - \$675.00 | II. KS - \$1,205.00 |
| 23 | Q. MB - \$1,131.00 | JJ. MR - \$699.00 |
| 24 | R. TH - \$479.40 | KK. KS - \$999.00 |
| 25 | S. JH - \$239.60 | LL. JM - \$119.80 |

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1 5. DocuService charged at least 38 Oregon consumers an initial fee greater than
2 \$50.00.

3 **CONCLUSIONS OF LAW**

4 The Director CONCLUDES that:

5 6. By offering or providing Oregon consumers the services described in
6 paragraphs 2 and 4 of this Order, DocuService modified or offered to modify the terms and
7 conditions of an existing loan from or obligation to a third party.

8 7. By modifying or offering to modify the terms and conditions of an existing
9 loan from or obligation to a third party, DocuService performed a debt management service
10 as defined in ORS 697.602(2)(c).

11 8. By offering to perform a debt management service without being registered
12 with the Division as a DMSP, DocuService violated ORS 697.612(1)(a).

13 9. By charging Oregon consumers an initial fee greater than \$50.00, DocuService
14 violated ORS 697.692(1)(a).

15 10. ORS 697.832(1) authorizes the Director to assess a civil penalty against
16 DocuService of up to \$5,000.00 per violation of the Oregon Debt Management Service
17 Provider Law.

18 11. Because the Director has reason to believe that DocuService violated ORS
19 697.612(1)(a) and ORS 697.692(1)(a), the Director is authorized under ORS 697.825(1)(a)
20 to order the company to cease and desist from violating these statutes.

21 **ORDER**

22 Now therefore, the Director issues the following ORDER:

23 12. As authorized by ORS 697.825(1)(a), the Director ORDERS DocuService to
24 CEASE AND DESIST from violating ORS 697.612(1)(a) and ORS 697.692(1)(a).

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1 13. As authorized by ORS 697.832(1), the Director ORDERS DocuService to pay
2 \$ 101,00.00 in CIVIL PENALTIES, allocated as follows:

3 A. \$63,000.00 for violating ORS 697.612(1)(a) and

4 B. \$38,000.00 for violating ORS 697.692(1)(a).

5 14. The Director SUSPENDS \$91,000.00 of the civil penalties, provided
6 DocuService complies with these conditions:

7 A. DocuService shall refund the fees each Oregon consumer paid the company as
8 listed in paragraph 4 of this Order;

9 B. DocuService shall complete refunds to each Oregon consumer, using
10 reasonable efforts and means, and provide the Division with proof of the refunds within
11 six months of the date of this Order;

12 C. If DocuService cannot locate a particular Oregon consumer within six months
13 of the date of this Order, despite using all reasonable efforts and means to locate and notify
14 the Oregon consumer of the impending refund, the company shall provide the refund to
15 the Oregon State Treasury for distribution to the Oregon consumer if the latter claims the
16 refund;

17 D. If DocuService chooses not to register in Oregon as a DSMP, it will indicate on
18 its website(s) that its services are not available in Oregon; and

19 E. DocuService shall not violate the Oregon Debt Management Service Provider
20 Law or the terms of this Order.

21 15. If DocuService fails to satisfy the above conditions, the suspended portion of
22 the civil penalties amounting to \$91,000.00 will become immediately due and owing. If
23 DocuService satisfies the above conditions, the Director shall waive the suspended portion
24 of the civil penalties three years after the date of this Order.

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1 16. Along with this Order, DocuService shall submit to the Director \$10,000.00 as
2 payment for the non-suspended portion of the civil penalties.

3 17. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to this
4 provision, entry of this Order does not limit the Director’s authority to enforce this Order
5 or take action against DocuService for violations of this Order or violations not included
6 in this Order that are discovered after the date of this Order.

7
8 SO ORDERED this 17th day of March, 2022.

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

11
12 /s/ Dorothy Bean
13 Dorothy Bean, Chief of Enforcement
14 Division of Financial Regulation

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1 **ENTITY CONSENT TO ENTRY OF ORDER**

2 I, Eric Kim, am an officer or manager of DocuService LLC
3 (“DocuService”). I am authorized to act and sign on behalf of DocuService. I have read the
4 foregoing Order, and I know and fully understand the contents hereof. I have been advised
5 of the right to a hearing and the right to be represented by counsel in this matter.
6 DocuService voluntarily consents to the entry of this Order with no force or duress,
7 expressly waiving any right to a hearing in this matter and any rights to administrative or
8 judicial review of this Order. DocuService understands that the Director reserves the right
9 to take further action to enforce this Order or to take action upon discovery that
10 DocuService has committed other violations of the Oregon Debt Management Service
11 Provider Law. DocuService, along with its officers, directors, employees, or agents, will
12 comply with the terms and conditions stated herein.

13 DocuService understands that this Order is a public document.

14
15 Signature: /s/ Eric Kim

16 Position Held: Partner

17 **ACKNOWLEDGMENT**

18 State of California

19 County of Los Angeles

20 Signed or attested before me on the 10th of March, 2022.

21
22
23
24 /s/ Lesly A. Chavez
25 Notary Public

