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4 STATE OF OREGON
5 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
6 DIVISION OF FINANCE AND CORPORATE SECURITIES

7 BEFORE THE DIRECTOR OF THE DEPARTMENT
8 OF CONSUMER AND BUSINESS SERVICES

9 In the Matter of:

Case No. DM-11-0055

10 Summit Legal Group; and Tropical
11 Marketing Services;

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY

12 Respondents.

ENTERED BY DEFAULT

13 On July 27, 2011, Director of the Department of Consumer and Business Services for the
14 State of Oregon (hereafter the "Director"), acting by and pursuant to the authority of the Oregon
15 Mortgage Lending Law, ORS 86A.100 *et seq.*, and the Oregon Debt Management Service
16 Providers Law, ORS 697.602 *et seq.*, issued Administrative Order No. DM-11-0055 to Cease
17 and Desist, Proposed Order Assessing Civil Penalty and Notice of Right to Hearing (hereinafter
18 "the Order") against Summit Legal Group and Tropical Marketing Services (hereinafter
19 "Respondents").

20 On July 28, 2011, Respondents were duly served with true copies of the Proposed Order
21 by regular, first-class mail and by certified mail, postage prepaid, and addressed to Respondents
22 at the following addresses: Summit Legal Group, 1489 W Palmetto Park Rd Ste 494, Boca
23 Raton, Florida, 33486; Tropical Marketing Services, LLC, 1489 W Palmetto Park RD Ste 494,
24 Boca Raton, Florida, 33486. The copy of the order sent via regular U.S. mail has not been
25 returned and is therefore presumed to have been delivered as addressed. On August 1, 2011, the
26 United States Post Office delivered copies of the proposed order via certified mail. Respondents
have not made a written request for a contested case hearing in this matter and the time to do so

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 has expired.

2 **NOW THEREFORE**, after consideration of the Investigation Report and accompanying
3 exhibits submitted in this matter by Jason Weber, Enforcement Officer, the Director hereby
4 issues the following Findings of Fact, Conclusions of Law, and Final Order:

5 **FINDINGS OF FACT**

6 The Director FINDS that:

7 **A. Respondents**

- 8 1. Summit Legal Group (hereinafter "Respondent"), lists its address as 1489 West
9 Palmetto Park Road, Suite 494, Boca Raton, FL 33486.
- 10 2. Tropical Marketing Services LLC (hereinafter "Respondent"), lists its address as
11 1489 West Palmetto Park Road, Suite 494, Boca Raton, Florida, 33486.
- 12 3. The above named Respondents shall hereinafter be referred to collectively as
13 "Respondents."
- 14 4. Respondents are not licensed as mortgage bankers, brokers, or loan originators in
15 Oregon and are not registered as debt management service providers in Oregon.
- 16 5. Respondents have not obtained a unique identifier from the Nationwide Mortgage
17 Licensing System and Registry.

18 **B. BH transaction**

- 19 6. At all times relevant to this matter, the individual consumer identified herein as "BH"
20 was an Oregon resident. At all relevant times herein, BH was a party to a home mortgage loan
21 secured by real estate located in Scotts Mills, Oregon.
- 22 7. On or about July 27, 2009, Respondents and BH entered into a contract whereby
23 Respondents agreed to negotiate a loan modification for a loan secured by residential real
24 property located in Scotts Mills, Oregon on behalf of BH in exchange for valuable consideration.
- 25 8. On February 21, 2009, BH paid \$1,250 to Respondent, Home Relief LLC. On or
26 about March 2, 2010, BH paid \$1,800 to Respondent, Tropical Marketing Services at the





1 direction of Respondent, Summit Legal Group.

2 9. On or about March 18, 2010, BH entered into a loan modification contract with
3 Respondent, Timothy C. Foster in exchange for valuable consideration.

4 10. On information and belief, Respondents have not conducted any substantive
5 conversations with BH's mortgage lender that have resulted in a modification of BH's residential
6 real estate loan.

7 11. On information and belief, Respondents collectively and in concert engaged in any
8 act, practice and course of business which operated as a fraud or deceit upon BH.

9 12. On or about September 23, 2010, the Division of Finance and Corporate Securities
10 notified Respondents in writing that it was required to comply with the licensing requirements of
11 the Oregon Mortgage Lender law or the registration requirements of the statutes regarding debt
12 management service providers to collect and retain fees in exchange for offering to assist Oregon
13 consumers in adjusting the terms of their residential real estate loans.

14 13. The Division requested, in writing, that Respondents refund the fees collected from
15 BH within 21 days from September 23, 2010, because Respondents did not perform its promise
16 to obtain a modification of the terms of BH's residential real estate loan.

17 14. As of the date of this order, Respondents have failed to refund the fees that they
18 collected from BH.

19 CONCLUSIONS OF LAW

20 The Director CONCLUDES that:

21 15. Respondents acted as a "mortgage broker" as defined by ORS 86A.100(7)(a)(C)
22 when they offered to negotiate the terms of BH's mortgage loan in exchange for compensation.

23 16. Respondents engaged in a "residential mortgage transaction in this state" as defined
24 by ORS 86A.103(2) when they offered to negotiate a home mortgage loan secured by real estate
25 located in Oregon.

26 17. Respondents violated ORS 86A.103(1) when they engaged in a residential mortgage

1 transaction in Oregon without first being licensed as either a mortgage banker or mortgage
2 broker as described herein.

3 18. Respondents violated ORS 86A.154(3) when they directly or indirectly, in connection
4 with the conduct of a mortgage banker or mortgage broker business engaged in any act, practice
5 and course of business which operated as a fraud or deceit upon BH by obtaining \$3,050 from
6 BH without providing any meaningful service.

7 19. Respondents performed a "debt management service" as defined by ORS
8 697.602(2)(c) when they offered to modify terms and conditions of an existing loan or obligation
9 in exchange for compensation.

10 20. Respondents violated ORS 697.612(1)(a) when they performed a debt management
11 service without first registering with the Director under ORS 697.632.

12 21. The \$3,050 fee collected by Respondents exceeded the amount permitted by ORS
13 697.692(1).

14 22. Respondents violated ORS 697.662(7)(a) when they collected fees from BH that
15 exceeded the amounts permitted by ORS 697.692(1).

16 23. Respondents violated ORS 697.662(4) when they offered to perform a debt
17 management service without evaluating, as part of the budget analysis the debt management
18 service provider must perform under ORS 697.652(2), whether the debt management service is
19 or would be advantageous to the consumer.

20 24. Respondents violated ORS 697.662(5) when they performed a debt management
21 service without having a good faith belief formed after conducting an evaluation described in
22 ORS 697.662(4) that the consumer can or will comply with the terms of the agreement described
23 in ORS 697.652.

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ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Cease and Desist Order

25. The Director, pursuant to his authority under ORS 86A.127 and ORS 697.825 hereby ORDERS Respondents to CEASE AND DESIST from violating Oregon’s Mortgage Lender law and Oregon’s Debt Management Service Providers law.

Order Assessing Civil Penalty

26. The Director, pursuant to ORS 86A.992, and ORS 697.832, may assess CIVIL PENALTIES of up to \$5,000 per violation against persons who violate the Oregon Mortgage Lender law and the Debt Management Service Providers law. Pursuant to these provisions, the Director, hereby proposes to ORDER Respondents to pay the State of Oregon a CIVIL PENALTY totaling \$20,000. This total civil penalty is calculated as follows: \$5,000 for unregistered and unlicensed loan modification activity in violation of ORS 86A.103(1) and ORS 697.612(1); \$5,000 for mortgage fraud in violation of ORS 86A.154(2); \$5,000 for collecting excessive fees in violation of ORS 697.692(1) and ORS 697.662(7)(a); and \$5,000 for offering to perform a debt management service without a good faith belief that it would actually be beneficial to the consumer in violation of ORS 697.662(4) and ORS 697.662(5). This civil penalty shall be joint and several among Respondents.

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