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

Legal Modification Firm L.C.

In the Matter of:

Respondent.

DM-11-0030

Final Order to Cease and Desist. **Final Order Assessing Civil Penalties Entered by Default**

On August 1, 2012, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director") acting pursuant to the authority contained in Oregon Revised Statutes ("ORS") 86A.100 et. seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively "Oregon Mortgage Lender Laws and Rules") and ORS 697.602 to 697.842 and OAR 441-910-0000 through 441-910-0120 (collectively "Oregon Debt Management Service Provider Laws and Rules"), issued Administrative Order No. DM-11-0030 Order to Cease and Desist, Proposed Order Assessing Civil Penalties and Notice of Right to a Hearing ("Notice Order") against Legal Modification Firm L.C. ("Legal Modification").

On August 1, 2012, Christopher Persuad, the agent for service of process for Legal Modification, was properly served the Notice Order by certified U.S. Mail at 255 North D Street, Suite 213, San Bernadino, CA 92401. Respondent has not made a written demand for a hearing in this matter and the time to do so has expired.

NOW THEREFORE, after consideration of the file in this matter maintained by the Oregon Department of Consumer and Business Services, the Director hereby issues the Page 1 of 4 – Final Order to Cease and Desist, Final Order Assessing Civil Penalties Entered by Default – DM-11-0030

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following Findings of Fact, Conclusions of Law, and Final Orders.

FINDINGS OF FACT

The Director finds that:

- 1. Based on a search of the California Secretary of State ("California SOS") website on July 24, 2012, Legal Modification is a domestic professional corporation (Entity No. C3230176) first filed with the California SOS on September 14, 2009 and is currently suspended.
- 2. Based on a search of the Oregon Secretary of State ("Oregon SOS") Corporations Division website on July 24, 2012, Legal Modification is not, as of the date of this search, and has not previously been registered as a domestic or foreign entity with the Oregon SOS.
- 3. As of July 24, 2012, Legal Modification is not currently and has not previously been licensed with the Oregon Division of Finance and Corporate Securities ("Division") to conduct business as a "mortgage broker", as that term is defined in ORS 86A.100(5)(a)(C), in Oregon.
- 4. As of July 24, 2012, Legal Modification is not currently and has not previously been registered with the Division to provide "debt management services", as that term is defined in ORS 697.602(2)(c), in Oregon.
- 5. On or about December 16, 2009, Legal Modification entered into an agreement with Oregon consumer MF ("MF Agreement") whereby Legal Modification, in exchange for an advance fee of \$2,799, agreed to provide MF loan modification services on a mortgage loan on residential real property located in Oregon.
- 6. On or about January 4, 2010 and pursuant to the MF Agreement, MF paid an advance fee of \$2,799 to Legal Modification by way of Cashier's Check No. 1026902573 for \$1,499 and other monetary instruments.

CONCLUSIONS OF LAW

The Director concludes that:

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7. Legal Modification acted as a "mortgage broker", as that term is defined in ORS
86A.100(5)(a)(C), when it, for compensation, negotiated or offered to negotiate a mortgage
loan for Oregon consumer MF.

- 8. Legal Modification engaged in "residential mortgage transactions", as that term is defined in ORS 86A.103(2), when they acted as a mortgage broker as defined in Paragraph 7 above.
- 9. Legal Modification violated ORS 86A.103(1) when it engaged in a residential mortgage transaction in Oregon without first obtaining a mortgage broker's license from the Division.
- 10. Legal Modification performed "debt management services", as that term is defined in ORS 697.602(2)(c), when it received money from Oregon consumer RW in exchange for offering to modify terms and conditions of an existing loan or obligation.
- 11. Legal Modification violated ORS 697.612(1)(a) when it performed "debt management services", as described in paragraph 10 above, without first registering as debt management service providers with the Division.
- 12. Legal Modification violated ORS 697.692(1)(a) when it collected initial fees of greater than \$50 from Oregon consumer MF.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

A. Cease and Desist Order

13. Pursuant to ORS 86A.127(4) and ORS 697.825(1)(a), the Director, hereby orders Legal Modification to cease and desist from violating the Oregon Mortgage Lender Laws and Rules and Debt Management Service Providers Laws and Rules.

B. Proposed Order Assessing Civil Penalty

14. Pursuant to ORS 86A.992 and ORS 697.832, the Director, may assess a civil penalty of up to \$5,000 for each violation of the Oregon Mortgage Lender Law and Rules and

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550 Winter Street NE, Suite 410 Salem, OR 97301-3881 Telephone: (503) 378-4387	
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1	Oregon Debt Management Service Providers Law and Rules.	
2	15. Pursuant to these provisions, the Director hereby orders that Legal Modification	
3	pay a \$10,000 civil penalty to the State of Oregon as follows:	
4	a. \$5,000 violations of ORS 86A.103(1) and ORS 697.612(1)(a); and	
5	b. \$5,000 for one violation of ORS 697.692(1).	
6	16. The entry of this order in no way further limits remedies that may be available to	
7	the Director under Oregon Law.	
8	Dated this 24 th day of August, 2012.	
9		
10	PATRICK M. ALLEN, Director Department of Consumer and Business Services	
11		
12	/s/ David Tatman David C. Tatman, Administrator	
13	Division of Finance and Corporate Securities	
14	NOTICE: You are entitled to judicial review of this Order. Judicial review may be obtained	
15	by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the	
16	service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the	
17	Oregon Court of Appeals.	
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