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

In the Matter Of:

1st American Law Center, Inc. and Dean
Gregory Chandler,

Respondent.

Case No. DM-11-0049

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

On July 22, 2011, Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting by and pursuant to the authority of the Oregon Mortgage Lending Law, ORS 86A.100 *et seq.*, and the Oregon Debt Management Service Providers Law, ORS 697.602 *et seq.*, issued Administrative Order No. DM-11-0049 to Cease and Desist, Proposed Order Assessing Civil Penalty and Notice of Right to a Hearing (“Order”) against 1st American Law Center, Inc. and Dean Gregory Chandler (“Respondents”).

Respondents were duly served with a true copy of the Proposed Order by certified and first-class U.S. mail. Respondents have not made a written demand for a contested case 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 following Findings of Fact, Conclusions of Law, and Final Orders.

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





FINDINGS OF FACT

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2 1. Respondent Dean Gregory Chandler was an attorney licensed to practice law in the
3 State of California, Bar No. 163090 and, as of January 3, 2011, is no longer eligible to
4 practice law in California according to California State Bar Records. Respondent Chandler
5 lists his address as Chandler law Group, PO Box 546, Bonsall, CA 92003 and as 2101 El
6 Camino Real, Ste. 204, Oceanside, CA 92054.

7 2. Respondent 1st American Law Center, Inc. lists its address as 2101 El Camino
8 Real, Ste. 204, Oceanside, CA 92054 and is neither registered to do business nor has an active
9 member of the Oregon State Bar as a Member of the 1st American Law Center.

10 3. Respondent Chandler is neither a licensed Oregon attorney nor authorized to
11 practice law in Oregon.

12 4. On September 15, 2009, an Oregon resident entered into a contract with
13 Respondents. The contract provided that Respondents would renegotiate the Oregon
14 resident's mortgage for residential real property located in Hubbard, Oregon.

15 5. Respondents required the Oregon resident to pay \$2,495 in exchange for
16 Respondents' promise to modify the Oregon resident's mortgage.

17 6. On October 18, 2010, the Division wrote a letter to Respondents advising them of
18 their violation of Oregon Law and requesting that the Oregon resident harmed by their
19 activity receive a full and complete refund. The letter asked Respondent to provide the
20 Division with a list of Oregon consumers that had entered into a loan modification agreement
21 with Respondent. Finally, the letter stated that violations of Oregon's Mortgage Lender Law
22 are subject to a \$20,000 civil penalty and requested a response within 21 days. Respondents
23 did not respond to this letter or issue a refund.

24 7. On March 10, 2011, the Division sent a second letter to Respondents. This letter
25 specifically requested that Respondents provide a refund by March 24, 2011. The letter
26 advised Respondents that a failure to issue a refund would result in the issuance of a notice



1 order. As of the date of this order, no refund has been issued.

2 8. As a result of Respondents operating in Oregon, an Oregon resident suffered harm
3 in the amount of \$2,495.

4 9. At no time have Respondents been registered with the Oregon Secretary of State.

5 10. At no time have Respondents been licensed or authorized to practice law in
6 Oregon.

7 11. At no time have Respondents been licensed as a mortgage banker or broker in
8 Oregon.

9 12. At no time have Respondents been licensed as mortgage loan originators in
10 Oregon.

11 13. Respondents have not obtained a unique identifier from the Nationwide Mortgage
12 Licensing System and Registry.

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

15 **CONCLUSIONS OF LAW**

16 Based upon the Findings of Fact, the Director concludes that:

17 15. Respondents acted as “mortgage brokers” as defined by ORS 86A.100(7)(a)(C)
18 when they offered to negotiate a mortgage loan in exchange for receiving compensation.

19 16. Respondents engaged in a “residential mortgage transaction in this state” as
20 defined by ORS 86A.103(2) when they offered to negotiate a home mortgage loan secured by
21 residential real estate located in Oregon.

22 17. Respondents violated ORS 86A.103(1) when they engaged in residential
23 mortgage transactions in this state without first being licensed as either a mortgage banker or
24 mortgage broker.

25 18. Respondents violated ORS 86A.154(2) when they knowingly made an untrue
26 statement of material fact by telling an Oregon resident that Respondents would attempt to



1 negotiate a residential real estate loan when in reality Respondents did not conduct any
2 substantive conversations with the Oregon resident’s mortgage lender that have resulted in a
3 modification of the Oregon resident’s residential real estate loan.

4 19. Respondents may not rely upon the exemption contained in ORS
5 86A.100(7)(b)(G) because they are not attorneys licensed in Oregon.

6 20. Respondents performed a “debt management service” as defined by ORS
7 697.602(2)(c) when they offered to modify terms and conditions of an existing loan or
8 obligation in exchange for \$2,495 in compensation.

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

11 22. The \$2,495 fee collected by Respondents exceeded the amount permitted by ORS
12 697.692(1).

13 23. Respondents violated ORS 697.662(7)(a) when they collected fees from an Oregon
14 resident that exceeded the amounts permitted by ORS 697.692(1).

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

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

23 26. Respondents may not rely upon the exemption from registration contained in ORS
24 697.612(3)(b) because Respondents are not attorneys licensed or authorized to practice law in
25 Oregon.

26 27. Pursuant to ORS 697.718(1), Respondents are liable to consumers for any



1 ascertainable loss of money or property because they were required to register as a debt
2 management service provider under ORS 697.612 and violated the requirements for providing
3 debt management services in Oregon as set forth in ORS 697.652, 697.662, 697.682, 697.692
4 or 697.707.

5 **ORDERS**

6 NOW, THEREFORE, the director issues the following orders:

7 The Director, pursuant to his authority under ORS 86A.127 and ORS 697.825 hereby
8 orders respondents shall cease and desist from violating Oregon’s Mortgage Lender Law and
9 Oregon’s Debt Management Service Providers Law.

10 The Director, pursuant to ORS 86A.992, and ORS 697.832 hereby orders a civil
11 penalty of \$20,000. This total civil penalty is calculated as follows:

- 12 a. \$5,000 for unregistered and unlicensed loan modification activity in violation
13 of ORS 86A.103(1) and ORS 697.612(1);
- 14 b. \$5,000 for mortgage fraud in violation of ORS 86A.154(2);
- 15 c. \$5,000 for collecting excessive fees in violation of ORS 697.692(1) and ORS
16 697.662(7)(a); and
- 17 d. \$5,000 for offering to perform a debt management service without a good faith
18 belief that it would actually be beneficial to the consumer in violation of ORS
19 697.662(4) and ORS 697.662(5).

20 The entry of this Order in no way further limits remedies which may be available to

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1 the Director under Oregon Law.

2 Dated this 10th day of June, 2012.

3 PATRICK M. ALLEN, Director
4 Department of Consumer and Business Services

5 /s/ David Tatman
6 David C. Tatman, Administrator
7 Division of Finance and Corporate Securities

8 **NOTICE:** You are entitled to judicial review of this Order. Judicial review may be obtained
9 by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the
10 service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the
11 Oregon Court of Appeals.

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