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

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

DM-11-0121

9 **Financial Independence & Resource**
10 **Education, Inc.,**

ORDER TO CEASE AND DESIST AND
11 **FINAL ORDER ASSESSING CIVIL**
12 **PENALTY ENTERED BY DEFAULT**

13 Respondent.

14 On December 2, 2011, the Director of the Department of Consumer and Business
15 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of
16 the Oregon Revised Statutes (“ORS”) 697.602 to 697.842, issued Administrative Order No. DM-
17 11-0121, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL
18 PENALTY, AND NOTICE OF OPPORTUNITY FOR AN ADMINISTRATIVE HEARING
19 (the “Proposed Order”) against Financial Independence & Resource Education, Inc. (“FIRE”).

20 On December 2, 2011, FIRE was duly served with true copies of the Proposed Order by
21 certified United States Mail, postage prepaid, to the following three addresses: (1) 1217 South
22 Flagler Drive, Third Floor, West Palm Beach, Florida 33401 (Item No. 7008 1830 0003 3147
23 2942); (2) 250 Tequesta Drive, Suite 304, Tequesta, Florida 33469 (Item No. 7008 1830 0003
24 3147 2959); and (3) 5200 N. Flagler Ave, #1504, West Palm Beach, Florida 33407 (Item No.
25 7008 1830 0003 3147 2966). True copies of the Proposed Order were also sent by regular mail
26 to FIRE at the addresses noted above. A copy of the Proposed Order was also faxed to FIRE at
1-561-828-2308 and emailed to FIRE at info@fire-inc.net and customerservice@fire-inc.net.

The mailings sent to 5200 N. Flagler Ave. and 1217 South Flagler Drive were returned as
undeliverable.

The mailings sent to 250 Tequesta Drive were returned as unclaimed.

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 In FIRE's 2011 and 2012 Annual Report filings with the State of Florida's Secretary of
2 State, FIRE's principal place of business is listed as 5200 N. Flagler Ave., #1504, West Palm
3 Beach, Florida 33407. Additionally, FIRE's mailing address is listed as 250 Tequesta Drive,
4 Suite 304, Tequesta, Florida 33469.

5 In addition to the mailings sent to the addresses listed above, on January 9, 2012, the
6 Proposed Order was sent by Certified United States Mail, postage prepaid, and regular mail to
7 Gary Smith, the President of FIRE, at 132 Via Verde Way, Palm Beach Gardens, Florida, 33418
8 (Item No. 7008 1830 0003 3147 3369). The certified mailing sent to Gary Smith was returned as
9 unclaimed.

10 FIRE has not made a written demand for a contested case hearing in this matter and time
11 to do so has now expired.

12 NOW THEREFORE, after consideration of the file in this matter maintained by
13 the Oregon Department of Consumer and Business Services, including any materials that FIRE
14 may have submitted, the Director hereby issues the following Findings of Fact, Conclusions of
15 Law, and Orders.

16 **I.**

17 **FINDINGS OF FACT**

18 The Director FINDS that:

19 1. FIRE is a Florida corporation with its principal office located at 5200 N. Flagler Ave.
20 #1504, West Palm Beach, Florida 33407. According to documentation filed with the State of
21 Florida, FIRE's mailing address is 250 Tequesta Drive, Suite 304, Tequesta, Florida 33469 and
22 its president is Gary D. Smith.

23 2. At all times relevant to this matter, FIRE held itself out as providing debt
24 management services as defined by ORS 697.602(2)(d), by receiving money in return for
25 obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a
26 creditor including, but not limited to, a reduction in the principal, interest, penalties or fees



1 associated with a debt.

2 3. At no time material to this Order was FIRE registered in Oregon with the Director as
3 a debt management service provider.

4 4. At no time material to this Order did FIRE file a bond with the Director as required
5 by Oregon law.

6 5. At all times relevant to this matter, an individual identified as "EL" was a resident of
7 the State of Oregon.

8 6. In December of 2009, EL enrolled in FIRE's debt settlement program. The debt
9 settlement program required 49 monthly payments; \$475.29 for the first two months and \$429.78
10 for the remaining 47 months. According to documentation received by the Oregon Division of
11 Finance and Corporate Securities ("DFCS"), between \$317.44 and \$475.29 of each of EL's first
12 17 payments to FIRE was to be retained by FIRE as its fee for providing debt management
13 services to EL. From December of 2009 to February 2010, EL paid FIRE \$1,380.37 in order to
14 receive debt management services.

15 II.

16 CONCLUSIONS OF LAW

17 The Director CONCLUDES that:

18 7. FIRE performed debt management services as defined by ORS 697.602(2)(d) when it
19 received money in return for obtaining or attempting to obtain as an intermediary on a
20 consumer's behalf a concession from a creditor including, but not limited to, a reduction in the
21 principal, interest, penalties or fees associated with a debt.

22 8. FIRE violated ORS 697.612 by engaging in the business of debt management service
23 provider without being registered with the Director pursuant to ORS chapter 697.

24 9. FIRE violated ORS 697.642(1) when it performed debt management services without
25 first filing a bond issued by one or more corporate sureties authorized to do business in Oregon.

26 10. FIRE violated ORS 697.692(1)(d) when it charged Oregon consumers a fee that

1 exceeded \$65 per month to receive debt management services.

2 **III.**

3 **ORDERS**

4 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

5 Order to Cease and Desist

6 11. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS FIRE,
7 and all entities owned or controlled by FIRE, their successors and assignees, to CEASE AND
8 DESIST from violating any provision of the Oregon statutes regulating debt management service
9 providers, ORS chapter 697, and any rule, order, or policy issued by the Director under ORS
10 chapter 697.

11 Final Order Assessing Civil Penalty

12 12. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL
13 PENALTY in an amount of not more than \$5,000 per violation against any person who violates
14 ORS 697.602 to 697.842, rules adopted pursuant to ORS 697.632, or any order issued under
15 ORS 697.825.

16 13. Pursuant to ORS 697.832, the Director hereby assesses FIRE a CIVIL PENALTY in
17 the amount of \$15,000 (fifteen thousand dollars) as follows:

18 A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violating the registration
19 provisions of ORS 697.612 by engaging in the business of performing debt management service
20 without being registered with the Director pursuant to ORS chapter 697;

21 B. A CIVIL PENALTY of \$5,000 (five thousand dollars) for performing debt
22 management services without first filing a bond as required by ORS chapter 697; and

23 C. A CIVIL PENALTY of \$5,000 (five thousand dollars) for charging a monthly fee in
24 excess of \$65 in violation of ORS 697.692(1)(d).

25 14. The entry of this Order in no way limits further remedies which may be available to
26 the Director under Oregon law.



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IT IS SO ORDERED.

Dated this 7th day of March, 2012 at Salem, Oregon

NUNC PRO TUNC December 2, 2011.

PATRICK ALLEN, Director
Department of Consumer and Business Services

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

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