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

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of: Case No. DM-12-0016

EAST VALLEY FINANCIAL, LLC;

Respondent.

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

On March 14, 2012, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director"), acting pursuant to the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, issued Administrative Order DM-12-0016, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO ADMINISTRATIVE HEARING ("Proposed Order"), to East Valley Financial, LLC ("East Valley" or "Respondent").

On or about March 29, 2012, East Valley was duly served with a true copy of the Proposed Order mailed by the Division of Finance and Corporate Securities ("DFCS") by certified United States Mail, postage prepaid, sent to David Sourwine, Jr., Registered Agent, East Valley Financial, LLC; 4820 S. Ash Avenue, Suite 102; Tempe, Arizona 85282 (Item No. 7008 1830 0003 3147 3932). The certified mail was returned to DFCS as unclaimed after two additional attempted deliveries by the U.S. Postal Service.

A true copy of the Proposed Order was also sent by regular mail to East Valley at the Tempe, Arizona address noted above. It was not returned.

East Valley received notice of the Proposed Order by the Division and has not made a written request for an administrative hearing in this matter. The time to request an Page 1 of 5 – ORDER TO CEASE AND DESIST/East Valley Financial, LLC (DM-12-0016)

administrative hearing has now expired.

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

I.

FINDINGS OF FACT

The Director FINDS that:

- 1. East Valley Financial, LLC ("East Valley") is an Arizona limited liability company with its principal address listed with the Arizona Corporation Commission as 4820 S. Ash, Suite 102, Tempe, Arizona 85282. Additionally, documentation filed with the State of Arizona lists David Sourwine, Jr. as the registered agent and member manager for East Valley.
- 2. At all times relevant to this matter, East Valley held itself out as providing debt management services as defined by ORS 697.602(2)(d), by receiving money in return for obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.
- 3. At no time material to this Order was East Valley registered in Oregon with the Director as a debt management service provider.
- 4. At no time material to this Order did East Valley file a bond with the Director as required by Oregon law.
- 5. At all times relevant to this matter, the individual identified as "LR" was a resident of the State of Oregon.
- 6. On or about June 28, 2010, LR paid East Valley approximately \$375 to receive debt management services.

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Division of Finance and Corporate Secur	Labor and Industries Building	350 Winter Street NE, Suite 410	Salem, OR 97301-3881	Telephone: (503) 378-4387	
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7. At all times relevant to this matter, the individual identified as "AM" was a
resident of the State of Oregon.
8. On or about September 1, 2010, AM paid East Valley approximately \$785 to
receive debt management services.

- 9. At all times relevant to this matter, the individuals identified as "BS" and "CS", a married couple, were residents of the State of Oregon.
- 10. On or about August 18, 2011, BS and CS paid East Valley over \$2,000 to receive debt management services.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

- 11. East Valley performed debt management services as defined by ORS 697.602(2)(d) when it received money in return for obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.
- 12. East Valley violated ORS 697.612 by engaging in the business of debt management service provider without being registered with the Director.
- 13. East Valley violated ORS 697.642(1) when it performed debt management services without first filing a bond issued by one or more corporate sureties authorized to do business in Oregon.
- 14. East Valley violated ORS 697.692(1)(a) when it charged an Oregon consumer an initial fee that exceeded \$50.

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ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

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> Page 3 of 5 – ORDER TO CEASE AND DESIST/East Valley Financial, LLC (DM-12-0016)

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Order to Cease and Desist

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

Order Assessing Civil Penalty

- 16. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL PENALTY in an amount of not more than \$5,000 per violation against any person who violates ORS 697.612 or 697.642 to 697.702, rules adopted under ORS 697.632, or any order issued under ORS 697.825.
- 17. Pursuant to ORS 697.832, the Director hereby ORDERS East Valley to pay a CIVIL PENALTY in the amount of \$45,000 (forty-five thousand dollars) as follows:
- A. A CIVIL PENALTY of \$15,000 (fifteen thousand dollars) for violating the registration provisions of ORS 697.612 by engaging in the business of performing debt management services on three occasions without being registered with the Director;
- A CIVIL PENALTY of \$15,000 (fifteen thousand dollars) for performing debt management services on three occasions without first filing a bond as required by ORS chapter 697; and
- C. A CIVIL PENALTY of \$15,000 (fifteen thousand dollars) for violating ORS 697.692(1)(a) on three occasions by charging an initial fee for debt management services that exceeded \$50.
- 18. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

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> Page 4 of 5 – ORDER TO CEASE AND DESIST/East Valley Financial, LLC (DM-12-0016)

		1				
	1	1 IT IS SO ORDERED.				
	2	Dated this <u>18th</u> da	y of <u>April</u> , 2012 at Salem, Oregon,			
	3	NUNC PRO TUNC March 14, 2012.				
Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Suite 410 Salem, OR 97301-3881 Telephone: (503) 378-4387	4		PATRICK M. ALLEN, Director Department of Consumer and Business Services			
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	6	_/s	_/s/ David Tatman			
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