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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:

Case No. DM-12-0020

9 **AMERICAN DEBT FOUNDATION,**
10 **INC.,**

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

11 Respondent.

12 On March 19, 2012, the Director of the Department of Consumer and Business
13 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the Oregon
14 statutes regulating debt management service providers, ORS 697.602 to 697.842, issued
15 Administrative Order DM-12-0020, ORDER TO CEASE AND DESIST, PROPOSED
16 ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO
17 ADMINISTRATIVE HEARING (“Proposed Order”), to American Debt Foundation,
18 Inc. (“ADF” or “Respondent”).

19 On or about April 2, 2012, ADF was duly served with a true copy of the Proposed
20 Order mailed by the State of Oregon, Division of Finance and Corporate Securities
21 (“DFCS”), by certified United States Mail, postage prepaid, sent to Braulio Morejon,
22 Registered Agent, American Debt Foundation, Inc., 4491 South State Road 7, Suite 213,
23 Fort Lauderdale, Florida 33314 (Item No. 7008 1830 0003 3147 4021) and to Jessenia
24 Loor, President; American Debt Foundation, Inc., 4491 South State Road 7, Suite 213,
25 Fort Lauderdale, Florida 33314 (Item No. 7008 1830 0003 3147 4038).

26 ADF has received notice of the proposed administrative action by the Division and
has not made a written request for an administrative hearing in this matter. The time to



1 request an administrative hearing has now expired.

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

6 I.

7 **FINDINGS OF FACT**

8 The Director FINDS that:

9 1. American Debt Foundation, Inc. is a Florida corporation with its principal
10 address listed with the Florida Secretary of State as 4491 South State Road 7, Suite 213,
11 Fort Lauderdale, Florida 33314. Additionally, documentation filed with the State of
12 Florida lists Jessenia Loor as corporation president and Braulio Morejon as the registered
13 agent for ADF. Both are listed at the same Florida corporate address.

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

19 3. At no time material to this Order was ADF registered in Oregon with the
20 Director as a debt management service provider as required by Oregon law.

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

23 5. At all times relevant to this matter, an individual identified as "LG" was a
24 resident of the State of Oregon.

25 6. From March 24, 2009 through November 8, 2011, LG paid ADF approximately
26 \$8,619.85 to receive debt management services.





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II.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. ADF 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.

8. ADF violated ORS 697.612 by engaging in the business of debt management service provider without being registered with the Director.

9. ADF 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.

10. ADF violated ORS 697.692(1)(a) when it charged an Oregon consumer an initial fee that exceeded \$50.

III.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Order to Cease and Desist

11. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS ADF, and all entities owned or controlled by ADF, 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

12. 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



1 violates ORS 697.612 or 697.642 to 697.702, rules adopted under ORS 697.632, or any
2 order issued under ORS 697.825.

3 13. Pursuant to ORS 697.832, the Director hereby ORDERS ADF to pay a CIVIL
4 PENALTY in the amount of \$15,000 (fifteen thousand dollars) as follows:

5 A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violating the
6 registration provisions of ORS 697.612 by engaging in the business of performing debt
7 management services without being registered with the Director;

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

10 C. A CIVIL PENALTY of \$5,000 (five thousand dollars) for violating ORS
11 697.692(1)(a) by charging an initial fee for debt management services that exceeded \$50.

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

14 IT IS SO ORDERED.

15 Dated this 20th day of April, 2012 at Salem,
16 Oregon, NUNC PRO TUNC March 19, 2012.

PATRICK M. 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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