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

9 In the Matter of:

DM-12-0075

10 Fidelity Financial Group Incorporated
11 Respondent.

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

12 On August 7, 2012, the Director of the Department of Consumer and Business
13 Services for the State of Oregon (“Director”) acting pursuant to the authority contained in
14 Oregon Revised Statutes (“ORS”) 86A.100 *et. seq.* and Oregon Administrative Rules
15 (“OAR”) 441-850-0005 through 441-885-0010 (collectively “Oregon Mortgage Lender Laws
16 and Rules”) and ORS 697.602 to 697.842 and OAR 441-910-0000 through 441-910-0120
17 (collectively “Oregon Debt Management Service Provider Laws and Rules”), issued
18 Administrative Order No. DM-11-0034 Order to Cease and Desist, Proposed Order Assessing
19 Civil Penalties and Notice of Right to a Hearing (“Notice Order”) against Fidelity Financial
20 Group Incorporated (“Fidelity”).

21 On August 8, 2012, Legalzoom.com, Inc., the agent for service of process for
22 Fidelity, was properly served the Notice Order by certified U.S. Mail at 100 West Broadway,
23 Suite 100, Glendale, CA 91210. Respondent has not made a written demand for a hearing in
24 this matter and the time to do so has expired.

25 NOW THEREFORE, after consideration of the file in this matter maintained by the
26 Oregon Department of Consumer and Business Services, the Director hereby issues the



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

2 **FINDINGS OF FACT**

3 The Director finds that:

4 1. Based on a search of the California Secretary of State (“California SOS”) website
5 on August 1, 2012, Fidelity Financial Group Incorporated (“Fidelity”) is a domestic
6 corporation (Entity No. C3069170) first filed with the California SOS on November 28,
7 20107 and is currently suspended.

8 2. Based on a search of the Oregon Secretary of State (“Oregon SOS”) Corporations
9 Division website on August 1, 2012, Fidelity is not, as of the date of this search, and has not
10 previously been registered as a domestic or foreign entity with the Oregon SOS.

11 3. As of August 1, 2012, Fidelity is not currently and has not previously been licensed
12 with the Oregon Division of Finance and Corporate Securities (“Division”) to conduct
13 business as a “mortgage broker”, as that term is defined in ORS 86A.100(5)(a)(C), in Oregon.

14 4. As of August 1, 2012, Fidelity is not currently and has not previously been
15 registered with the Division to provide “debt management services”, as that term is defined in
16 ORS 697.602(2)(c), in Oregon.

17 5. On or about March 28, 2011, Fidelity entered into an agreement with Oregon
18 consumers DB and JB (“DB and JB Agreement”) whereby Fidelity, in exchange for an
19 advance fee of \$2,350, agreed to provide DB and JB a mortgage compliance analysis report
20 and loan modification services on a mortgage loan on residential real property located in
21 Oregon.

22 6. Pursuant to the terms of the DB and JB Agreement, DB and JB paid Fidelity
23 through three payment instruments all payable to Fidelity Financial Group in the amounts of
24 \$1000 (instrument no. 2357 dated March 29, 2011), \$675 (instrument no. 2374 dated May 4,
25 2011), and \$675 (instrument no. 2000 dated July 26, 2011).





1 **CONCLUSIONS OF LAW**

2 The Director concludes that:

3 7. Fidelity acted as a “mortgage broker”, as that term is defined in ORS
4 86A.100(5)(a)(C), when it, for compensation, negotiated or offered to negotiate mortgage
5 loans for Oregon clients DB and JB.

6 8. Fidelity engaged in “residential mortgage transactions”, as that term is defined in
7 ORS 86A.103(2), when it acted as a mortgage broker as defined in Paragraph 7 above.

8 9. Fidelity violated ORS 86A.103(1) when it engaged in a residential mortgage
9 transaction in Oregon for DB and JB without first obtaining a mortgage broker’s license
10 from the State of Oregon.

11 10. Fidelity performed “debt management services”, as that term is defined in ORS
12 697.602(2)(c), when it received money from Oregon client DB and JB in exchange for
13 offering to modify terms and conditions of an existing loan or obligation.

14 11. Fidelity violated ORS 697.612(1)(a) when it performed “debt management
15 services”, as described in Paragraph 10 above, without first registering as debt management
16 service providers with the Department.

17 12. Fidelity violated ORS 697.692(1)(a) when it collected initial fees of greater than
18 \$50 from Oregon clients DB and JB.

19 **ORDER**

20 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

21 A. Order to Cease and Desist

22 13. Pursuant to ORS 86A.127 and ORS 697.825, the Director hereby orders Fidelity
23 to cease and desist from violating the Oregon Mortgage Lender Laws and Rules and Debt
24 Management Service Providers Laws and Rules.

25 B. Order Assessing Civil Penalty

26 14. Pursuant to ORS 86A.992 and ORS 697.832, the Director may assess a civil



1 penalty of up to \$5,000 for each violation of the Oregon Mortgage Lender Laws and Rules
2 and Oregon Debt Management Service Providers Laws and Rules.

3 15. Pursuant to these provisions, the Director hereby orders that Fidelity pay a civil
4 penalty to the State of Oregon totaling \$10,000. The civil penalty is based upon the
5 following:

6 a. \$5,000 for violations of ORS 86A.103(1) and ORS 697.612(1)(a); and

7 b. \$5,000 for one violation of ORS 697.692(1).

8 16. The entry of this Order in no way further limits remedies that may be available
9 to the Director under Oregon Law.

10 Dated this 4th day of September, 2012.

11 PATRICK ALLEN, Director
12 Department of Consumer and Business Services

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

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