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

8 In the Matter of:

DM-12-0013

9 Legal Loan Review Inc.,

**Final Order to Cease and Desist and
Order Imposing Suspended Portion of
Civil Penalties Entered by Default**

10 Respondent.

11 On August March 8, 2013, the Director of the Department of Consumer and
12 Business Services for the State of Oregon (“Director”) acting pursuant to the authority
13 contained in Oregon Revised Statutes (“ORS”) 86A.100 et. seq. and Oregon
14 Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (collectively
15 “Oregon Mortgage Lender Laws and Rules”) and ORS 697.602 through 697.842 and
16 OAR 441-910-0000 through 441-910-0120 (collectively “Oregon Debt Management
17 Service Provider Laws and Rules”), issued Administrative Order No. DM-12-0013
18 Proposed Order Imposing Suspended Civil Penalties and Notice of Right to a
19 Hearing (“Notice Order”) against Legal Loan Review, Inc. (Legal Loan)

20 The Notice Order in this matter was served by certified mailed return receipt
21 requested on Ahmad Khatub, Registered Agent, at the company’s headquarters
22 located at 505 S Villa Drive, Suite 100-B, Anaheim Hills, CA 93097. The green card
23 was returned by the U. S. Post Office showing that Niso Khatub, had signed for the
24 document on March 22, 2013. In addition, the Notice Order was also served by
25 certified mailed return receipt requested on Karla Carmona, the contact person for
26 the Division, at the company’s headquarters located at 505 S Villa Drive, Suite 100-B,





1 Anaheim Hills, CA 93097. The green card for Ms. Carmona was returned by the U.
2 S. Post Office showing that some one had signed for the document on March 22,
3 2013, but the signature was illegible. Service was proper in this matter. No hearing
4 was requested by Legal Loan and the time to do so has expired.

5 NOW THEREFORE, as set out below the Director makes the Findings of Fact
6 and Conclusions of Law as stated hereinafter:

7 **FINDINGS OF FACT**

8 The Director finds that:

9 1. The terms of the Order to Cease and Desist, Order Assessing Civil Penalty,
10 and Consent to Entry of Order (Consent Order) at Paragraph 20 provides that Legal
11 Loan Review pay \$355,000 in civil penalties as follows:

- 12 a. \$175,000 for 35 violations of ORS 86A.103(1) and ORS 697.612(1)(a);
- 13 b. \$175,000 for 35 violations of ORS 697.692(1); and
- 14 c. \$5,000 for one violation of ORS 697.662(12)(a).

15 2. The Consent Order at Paragraph 21 further provides that the entire civil
16 penalty portion would be suspended if Legal Loan Review:

- 17 a. Made timely restitution payments pursuant to the provisions of the
18 consent order and the Restitution Schedule of Repayment on file with
19 the Division; and
- 20 b. Provided the Division evidence that restitution repayments had been
21 made in a form acceptable to the Division within 45 days of payment due
22 dates.

23 3. Paragraph 27 of the Consent Order provides that there are no grace periods
24 for any of the deadlines set forth in the Order.

25 4. The Restitution Schedule of Repayments consisted of a 5-tier repayment
26 plan with the first payment due date on or before October 1, 2012. Legal Loan



1 Review timely made the first payment.

2 5. The second payment was due on or before January 2, 2013.

3 6. On or about January 8, 2013, the Division received complaints from several
4 Oregon consumers stating that they had not received payment from Legal Loan
5 Review as provided for in the Consent Order.

6 7. On January 10, 2013, Financial Enforcement Officer Cynthia L. Domas sent
7 a 10- day demand letter, directing the company to produce proof of payments via
8 certified mail return receipt requested, to Karla Carmona, the contact person for
9 Legal Loan Review, and to Ahmad Khatub, Registered Agent, for Legal Loan
10 Review. Both documents were addressed to the respective individuals at 505 S. Villa
11 Drive, Suite 100-B, Anaheim Hills, CA 92807.

12 8. Both documents were delivered to the recipients on January 14, 2013.

13 9. No response has been received in regard to the demand letter nor has
14 Legal Loan Review provided proof to the Division that the second tier of Oregon
15 consumers received payment from Legal Loan Review as set forth in the Consent
16 Order.

17 10. Paragraph 28 of the Consent Order provides, among other things, that if all
18 of the conditions of the Consent Order are not met, the entire amount of civil
19 penalties, \$355,000 may be reinstated minus the amount of any payments received
20 by Oregon consumers.

21 11. To date, Legal Loan Review has provided proof that it has made payments
22 to Oregon consumers in the amount of \$20 970. Therefore, the amount of unpaid
23 civil penalties is \$334,030.00.

24 CONCLUSIONS OF LAW

25 The Director concludes that:

26 12. Legal Loan Review failed to timely make the second tier of payments to



1 Oregon consumers on or before January 2, 2013 as set out in the Consent Order
2 dated September 26, 2012.

3 13. The full amount of civil penalties, \$355,000, set out in the Consent Order is
4 now due and owing, minus one payment of \$20,970, leaving a total civil penalty of
5 \$334,030 due and owing.

6 ORDER

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

8 14. Pursuant to the Consent Order entered in this matter, the Director hereby
9 imposes the previously suspended civil penalty of \$334,030.00 representing the
10 original civil penalty amount of \$355,000.00 less one payment of \$20,970.

11 15. All other provisions of the Consent Order remain in full force and effect.

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

14 Dated this 18th day of April, 2013.

15
16 PATRICK M. ALLEN, Director
Department of Consumer and Business Services

17
18 /s/ David Tatman
19 David C. Tatman, Administrator
20 Division of Finance and Corporate Securities

21 NOTICE

22 Pursuant to ORS 183.482, you are entitled to judicial review of this order. Judicial review may
23 be obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days
24 from the service of this order.