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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:

Consumer Advocates Group Experts, LLC aka
Consumer Advocates Group and Andre Pittmon

Respondents.

DM-13-0051

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

On April 17, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the “Director”), acting pursuant to ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”) and the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, issued Administrative Order No. DM-13-0051 - Order to Cease and Desist, Proposed Order Assessing Civil Penalties and Notice of Right to a Hearing (hereinafter “the Order”) to Consumer Advocates Group Experts, LLC aka Consumer Advocates Group (hereinafter “CAG”) and Andre Pittmon (hereinafter “Pittmon”).

On May 6, 2013, a true copy of the Order was mailed by regular, first-class mail and by certified mail postage prepaid addressed to CAG and Pittmon at 100 West Broadway, Suite 100, Glendale California, 91210 and to Legal Zoom at 101 N. Brand Boulevard, 11th Floor, Glendale California 91203 (registered agent).

Green cards evidencing receipt were returned from all of the orders sent by certified mail, and none of the orders sent by regular were returned.

Neither CAG nor Pittmon made a written request for a contested case hearing

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 this matter, and the time to do so has expired.

2 **FINDINGS OF FACTS**

3 The Director FINDS that:

4 1. Consumer Advocates Group Experts, LLC (hereinafter “CAG”) is a California limited
5 liability company with a registered address of 100 West Broadway, Suite 100, Glendale,
6 California 91210.

7 2. CAG also uses the addresses 11901 Santa Monica Blvd., Suite 574, West Los Angeles,
8 California 90025 and 3699 Wilshire Blvd., Suite 220, Los Angeles, California 90010.

9 3. CAG has transacted business using the name Consumer Advocates Group.

10 4. CAG has never been registered with the Oregon Secretary of State to do business in
11 Oregon.

12 5. Neither CAG nor Pittmon have ever held a license to engage in residential mortgage
13 transactions as a mortgage broker in Oregon, and neither have ever been registered to provide debt
14 management services in Oregon.

15 6. A search of Oregon State Bar records show that there is not an Oregon licensed attorney by
16 the name of Andre Pittmon.

17 **I. Oregon consumer complaint**

18 7. At all times material to this order, consumer “DS” was an Oregon resident and was party to
19 a residential mortgage loan secured by real estate located in Oregon.

20 8. Around December 21, 2011, DS entered into an agreement with CAG for loan modification
21 services wherein CAG would negotiate with DS’s lender to obtain a modification to the terms of
22 DS’s residential mortgage loan for a fee.

23 9. On December 21, 2011, DS paid CAG \$1,925 for loan modification services.

24 10. DS had contact with Brian Mitchell and Pittmon of CAG who both offered to negotiate a
25 loan modification to the terms of DS’s residential mortgage loan.

26 11. CAG, Mitchell, and Pittmon represented to DS that CAG was authorized to assist





1 him in obtaining a loan modification on DS's behalf from DS's lender.

2 12. DS has not received any contact from CAG, Mitchell, or Pittman since December 21, 2011
3 and has not been able to get in touch with anyone associated with CAG since then.

4 **II. FTC's civil action**

5 13. On May 30, 2012, the Federal Trade Commission (hereinafter "FTC") filed a
6 civil complaint for permanent injunctive relief and other equitable relief in the United States
7 District Court for the Central District of California against CAG and other related corporate
8 defendants. The complaint reports violations of federal law including the FTC Act and the
9 Mortgage Assistance Relief Services Rule in connection with CAG's marketing and sales of
10 mortgage loan modification or foreclosure rescue services.¹

11 14. The complaint reported that, in numerous instances in connection with the
12 advertising, marketing, promotion, offering for sale, or sale of mortgage loan modification or
13 foreclosure rescue services, the defendants of the FTC complaint represented that defendants:

- 14 i) generally will obtain for consumers loan modifications that will make their mortgage
15 payments substantially more affordable; and
16 ii) will give full refunds to consumers if defendants fail to obtain a loan modification
17 for consumers

18 when in truth and in fact, defendants' representations were false and misleading and constitute a
19 deceptive act or practice under federal law.

20 15. On February 1, 2013, the court entered a permanent injunction and a \$3,546,030
21 money judgment against defendants. The judgment is suspended due to the defendants'
22 inability to pay. The settlement provides that all funds paid pursuant to the order be deposited
23 into a fund administered by the FTC for attendant expenses and consumer redress.

24 16. The settlement bans the defendants from marketing any mortgage assistance relief
25 or other debt relief products or services and prohibits the defendants from making misleading
26

¹ FTC v Consumer Advocates Group Experts, LLC; et al, US District Court Case No. CV-12-04736.

1 claims about any financial product or service, or any other type of product or service.

2 **CONCLUSIONS OF LAW**

3 The Director CONCLUDES that:

4 1. CAG and Pittmon acted as a “mortgage broker” under ORS 86A.100(5)(a)(C)
5 when, for compensation, or in the expectation of compensation, either directly or indirectly
6 made, negotiated, or offered to make or negotiate a modification to the terms and conditions of
7 a mortgage loan.

8 2. CAG and Pittmon engaged in “residential mortgage transactions in this state”
9 under ORS 86A.103(2) by acting as a mortgage broker by offering to negotiate a modification
10 to the terms and conditions of DS’s residential mortgage loan secured by property located in
11 Oregon.

12 3. CAG and Pittmon violated 86A.103(1) by engaging in residential mortgage
13 transactions in Oregon without first obtaining a license as a mortgage broker under ORS
14 86A.095 to 86A.198.

15 4. CAG and Pittmon may not rely upon the exclusion from the definition of
16 mortgage broker contained in ORS 86A.100(5)(b) because Pittmon is not an Oregon licensed
17 attorney and is not authorized to practice law in Oregon.

18 5. CAG and Pittmon received money or expected to receive money for providing advice,
19 assistance, instruction or instructional material concerning a debt management service,
20 modifying the terms and conditions of an existing loan under ORS 697.602(2)(c), without
21 registration in violation of ORS 697.612(1)(b)(E).

22 6. Neither CAG nor Pittmon may rely upon the exclusion from registration as a debt
23 management service provider contained in ORS 697.612(3) because Pittmon is not an attorney
24 licensed or authorized to practice law in Oregon.

25 7. Pittmon offered to negotiate the terms of DS’s residential mortgage
26 loan modification transaction for a fee without obtaining a mortgage loan originator’s license in



1 violation of ORS ORS 86A.203.

2 8. CAG violated ORS 697.692 by accepting or receiving an initial fee of more than \$50 from
3 DS.

4 9. CAG and Pittmon represented to DS that they were authorized to perform a debt
5 management service when they were not authorized under Oregon law to perform a debt
6 management service in violation of ORS 697.662(2).

7 **ORDERS**

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

9 1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby ORDERS CAG and
10 Pittmon, and all entities owned or controlled by CAG and Pittmon, to CEASE AND DESIST
11 from violating the Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and debt
12 management service providers, ORS 697.602 to 697.842.

13 a. Pursuant to ORS 86A.224(3)(a) and ORS 697.832, the Director hereby ORDERS
14 Pittmon to pay a CIVIL PENALTY in the amount of \$10,000. This civil penalty is based upon
15 \$5,000 for the violation of ORS 697.612(1)(unlicensed mortgage broker)/ORS 697.612
16 (unregistered debt management service provider)/ORS 86A.203 (unlicensed mortgage loan
17 originator) and \$5,000 for the violation of ORS 697.662(2) (unauthorized representation).

18 2. The Director designates the Division's file on this matter, which includes all materials
19 submitted by the party, as the record in this case. Pursuant to OAR 137-003-0075(3), that
20 record contains sufficient evidence of the existence of facts necessary to support a final order by
21 default should the Director issue such an order.

22 Dated this 10th day of June, 2013.

23 PATRICK M. ALLEN, Director
24 Department of Consumer and Business Services

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



1 NOTICE: You may be entitled to judicial review of this Order. Judicial review may be obtained
2 by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service
3 of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court
4 of Appeals.
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