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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: Legacy Holding Group, Todd Ister, Carrie Salerno, and Robert Reyes; <p style="text-align: center;">Respondents.</p>	DM-13-0118 Final Order to Cease and Desist and Order Assessing Civil Penalties Entered by Default as to Legacy Holding Group
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On June 13, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the “Director”), acting pursuant to the Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and debt management service providers, ORS 697.602 to 697.842, issued Administrative Order No. DM-13-0118 - Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing (hereinafter “the Order”) to Legacy Holding Group (hereinafter “LHG”).

On June 17, 2013, the Director mailed LHG a true copy of the Order by regular, first-class mail and by certified mail, postage prepaid addressed to company owner Christopher Rojas at 9380 E State Road 32, Zionsville, Indiana. The certified mailing was returned as unclaimed, and the regular mailing was not returned.

LHG has not made a written request for a contested case hearing in this matter, and the time to do so has expired.

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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 **FINDINGS OF FACTS**

2 The Director FINDS that:

3 1. Legacy Holding Group (hereinafter "LHG") is an Arizona-based company with its
4 principal place of business located at 3115 S Price Road #130, Chandler, Arizona 85248.

5 2. LHG is not registered to do business in Arizona with the Arizona Corporations
6 Commissions, and LHG is not a registered name filed with the Arizona Secretary of State.

7 3. LHG is not registered to do business in Oregon with the Oregon Secretary of State.

8 4. Neither LHG, Todd Ister (hereinafter "Ister"), Carrie Salerno (hereinafter "Salerno"), nor
9 Robert Reyes (hereinafter "Reyes") has ever held a license to engage in residential mortgage
10 transactions as a mortgage broker in Oregon, and none have ever been registered to provide debt
11 management services in Oregon.

12 5. Neither Ister, Salerno, nor Reyes is licensed as an Oregon mortgage loan originator.

13 6. A search of Oregon State Bar records shows that there is not an Oregon licensed attorney
14 by the name of Ister, Salerno, or Reyes.

15 7. At all times material to this order, consumers "VB" and "ST" were Oregon residents and
16 were party to a home mortgage loan secured by real estate located in Oregon.

17 8. In April 2011, Ister, on behalf of LHG, offered to negotiate a modification to the terms and
18 conditions of VB's loan for a fee, and VB entered into an agreement with LHG for loan
19 modification services.

20 9. LHG represented to VB that it was authorized to assist VB in obtaining a loan
21 modification on VB's behalf from VB's lender.

22 10. From the time period of April 26, 2011 through June 27, 2011, VB paid LHG a total of
23 \$2,914 in three installments, including an initial fee of \$1,500.

24 11. To date, VB has not received a loan modification or a refund from LHG.

25 12. In July 2011, ST saw an advertisement on television offering loan modification services,
26 and she called the number advertised and was connected to LHG.

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1 13. On July 11, 2011, Salerno, on behalf of LHG, told ST that she qualified for a fee-based
2 modification.

3 14. On July 21, 2011, Reyes, on behalf of LHG, offered to negotiate a modification to the
4 terms and conditions of ST's loan for a fee, and ST entered into an agreement with LHG for loan
5 modification services.

6 15. LHG represented to ST that it was authorized to assist ST in obtaining a loan
7 modification on ST's behalf from ST's lender.

8 16. On July 25, 2011, LHG requested that ST send in a cancelled check, and she complied.

9 17. On July 26, 2011, LHG removed \$3,210 from ST's checking account.

10 18. The last time ST had any contact with LHG was September 14, 2011, and ST tried to
11 contact LHG several times subsequently and has not received a response.

12 19. To date, ST has not received a loan modification or a refund.

13 CONCLUSIONS OF LAW

14 The Director CONCLUDES that:

15 1. LHG, Ister, Salerno, and Reyes acted as a "mortgage broker" under ORS
16 86A.100(5)(a)(C) when they, for compensation or in the expectation of compensation, either
17 directly or indirectly made, negotiated, or offered to make or negotiate a modification to the
18 terms and conditions of VB's and ST's mortgage loans.

19 2. LHG, Ister, Salerno, and Reyes engaged in "residential mortgage transactions in this
20 state" under ORS 86A.103(2) by acting as a mortgage broker when they offered to negotiate a
21 modification to the terms and conditions of VB's and ST's residential mortgage loans secured
22 by property located in Oregon.

23 3. LHG, Ister, Salerno, and Reyes violated 86A.103(1) by engaging in residential mortgage
24 transactions in Oregon without first obtaining a license as a mortgage broker under ORS
25 86A.095 to 86A.198.

26 4. LHG, Ister, Salerno, and Reyes may not rely upon the exclusion from the definition of



1 mortgage broker contained in ORS 86A.100(5)(b) because neither Ister, Salerno, nor Reyes is
2 an attorney licensed or authorized to practice law in Oregon.

3 5. Ister offered to negotiate the terms of VB's residential mortgage loan without obtaining
4 a mortgage loan originator's license in violations of ORS 86A.203.

5 6. Salerno and Reyes offered to negotiate the terms of ST's residential mortgage loan
6 without obtaining a mortgage loan originator's license in violations of ORS 86A.203.

7 7. LHG, Ister, Salerno, and Reyes received money or expected to receive money for
8 providing advice, assistance, instruction or instructional material concerning a debt management
9 service, modifying the terms and conditions of an existing loan under ORS 697.602(2)(c), in
10 violation of ORS 697.612(1)(b)(E).

11 8. LHG, Ister, Salerno, and Reyes may not rely upon the exclusion from registration as a
12 debt management service provider contained in ORS 697.612(3) because neither Ister, Salerno,
13 nor Reyes is an attorney licensed or authorized to practice law in Oregon.

14 9. LHG violated ORS 697.692 by accepting or receiving an initial fee of more than \$50 from
15 VB and ST.

16 10. LHG represented to VB and ST that it was authorized to perform a debt management
17 service when it was not authorized under Oregon law to perform a debt management service in
18 violation of ORS 697.662(2).

19 11. By offering to provide loan modification services that it was unregistered and
20 unlicensed to provide, by charging and collecting \$2,914 in fees for these services, and by
21 failing to provide the services or a refund, Ister caused VB to suffer harm under ORS
22 86A.224(2)(c).

23 12. By offering to provide loan modification services that they were unregistered and
24 unlicensed to provide, by charging and collecting \$3,210 in fees for these services, and by
25 failing to provide the services or a refund, Salerno and Reyes caused ST to suffer harm under
26 ORS 86A.224(2)(c).



ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby ORDERS LHG, all entities owned or controlled by LHG, Ister, Salerno, and Reyes to CEASE AND DESIST from violating the Oregon Mortgage Lender Law and the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842.

2. Pursuant to ORS 86A.992, the Director may assess a CIVIL PENALTY in the amount of not more than \$5,000 per violation against any person who violates or who procures, aids or abets in the violation of any provision of the Oregon Mortgage Lender Law. 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 ORS 697.642 to 697.702, or rules adopted under ORS 697.632.

a. Pursuant to ORS 86A.224(3)(a) and ORS 697.832, the Director hereby ORDERS LHG to pay a CIVIL PENALTY in the amount of \$15,000. This civil penalty is based upon \$5,000 for the violation of ORS 86A.103(1)(unlicensed mortgage broker)/ORS 697.612 (unregistered debt management service provider), \$5,000 for the violation of ORS 697.662(2) (unauthorized representation), and \$5,000 for the violation of ORS 697.692 (unlawful DMSP fee).

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

This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon Law.

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1 Dated this 12th day of August, 2013.

2 Nunc Pro Tunc.

3
4 PATRICK M. ALLEN, Director
5 Department of Consumer and Business Services

6 /s/ David Tatman
7 David C. Tatman, Administrator
8 Division of Finance and Corporate Securities

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