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: Marak Industries, Inc., and Lisa McElhone, Respondents.	**M-12-0057** **Final Order to Cease and Desist, Order Assessing Civil Penalties Entered by Default as to Respondent Marak Industries, Inc. Only**

On August 1, 2012, the Director of the Department of Consumer and Business Services for the State of Oregon ("Director") acting pursuant to the authority contained in Oregon Revised Statutes ("ORS") 86A.100 et. seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively "Oregon Mortgage Lender Laws and Rules") and ORS 697.602 through 697.842 and OAR 441-910-0000 through 441-910-0120 (collectively "Oregon Debt Management Service Provider Laws and Rules"), issued Administrative Order No. M-12-0057 Order to Cease and Desist, Proposed Order Assessing Civil Penalty and Notice of Right to a Hearing ("Notice Order") against Marak Industries, Inc. (Marak) and Lisa McElhone (McElhone).

On August 6, 2012, Michael Rabel, President of Marak, was served the Notice Order by certified U.S. Mail at 100 Ross Street Ste. 502, Pittsburgh, PA 15219. No hearing was requested by Marak and the time to do so has expired.

On August 31, 2012, Lisa McElhone was served the Notice Order by certified U.S. Mail at 2646 S Sartain St, Philadelphia, PA 19148. On September 10, 2012,

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

McElhone timely filed a response and request for hearing. The Division and McElhone have reached a settlement agreement in this matter. The Consent Order as to McElhone is codified in a separate document.

Now therefore, after consideration of the file in this matter maintained by the Oregon Department of Consumer and Business Services, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

The Director finds that:

1. Based on a search of the Pennsylvania Department of State (DOS) website on January 14, 2013, Marak Industries, Inc. ("Marak") is a domestic corporation (Entity No. 3862357) that first filed with the Pennsylvania DOS on February 12, 2009, and is currently active.

2. Based on a search of the Oregon Secretary of State (SOS) Corporations' Division website on January 14, 2013, Marak is not as of the date of this search and has not previously been registered as a domestic or foreign entity with the Oregon SOS.

3. As of January 14, 2013, Marak is not currently and has not previously been licensed with the Oregon Division of Finance and Corporate Securities ("Division") to conduct business as a "mortgage broker", as that term is defined in ORS 86A.100(5)(a)(C), in Oregon.

4. As of January 15, 2013, Marak is not currently and has not previously been registered with the Division to provide "debt management services", as that term is defined in ORS 697.602(2)(c), in Oregon. At all times relevant to the JT transaction as described below, Lisa McElhone ("McElhone") was employed by the Marak office located at 131 N. 4th Street, Philadelphia, PA 19106.

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5. As of January 14, 2013, McElhone is not currently and has not previously been licensed with the Oregon Division of Finance and Corporate Securities ("Division") to conduct business as a "mortgage broker", as that term is defined in ORS 86A.100(5)(a)(C), in Oregon.

6. As of January 15, 2013, McElhone is not currently and has not previously been registered with the Division to provide "debt management services", as that term is defined in ORS 697.602(2)(c), in Oregon.

7. McElhone has never been licensed as an attorney in the State of Oregon.

8. On or about January 7, 2011, Marak entered into an agreement with JT ("JT Agreement") whereby Marak, in exchange for an advance fee of $1,800, agreed to provide JT loan modification services on a mortgage loan on residential real property located in Oregon.

9. JT paid at least $1,800 pursuant to the JT Agreement: $600 on January 20, 2011 (Personal Money Order No. 254497) payable to Marak Industries, Inc.; $600 on February 23, 2011 (Personal Money Order No. 275305) payable to Marak Industries, Inc.; and $600 on April 13, 2011 (Personal Money Order No. 275351) payable to Marak Industries, Inc.

10. McElhone cashed the Personal Money Orders referenced in Paragraph 9 above at a Philadelphia, Pennsylvania check cashing store.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

11. Marak acted as a "mortgage broker", as that term is defined in ORS 86A.100(5)(a)(C), when it, for compensation, negotiated or offered to negotiate a mortgage loan for Oregon consumer JT.

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12. Marak engaged in "residential mortgage transactions", as that term is defined in ORS 86A.103(2), when it acted as a mortgage broker as defined in Paragraph 11 above.

13. Marak violated ORS 86A.103(1) when it engaged in a residential mortgage transaction in Oregon without first obtaining a mortgage broker's license from the Division.

14. Marak performed "debt management services", as that term is defined in ORS 697.602(2)(c), when it received money from Oregon consumer JT in exchange for offering to modify terms and conditions of an existing loan or obligation.

15. Marak violated ORS 697.612(1)(a) when it performed "debt management services", as described in paragraph 14 above, without first registering as a debt management service provider with the Division.

16. Marak violated ORS 697.692(1)(a) when it collected initial fees of greater than $50 from Oregon consumer JT.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

1. The Director, pursuant to ORS 86A.127, ORS 86A.224, and ORS 697.825, hereby orders Marak and any and all entities owned or controlled by Marak to cease and desist from violating the Oregon Mortgage Lender Law and the Oregon statutes regulating debt management service providers.

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 or any rule or order issued under ORS 86A.124 or ORS 86A.242.

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3. Pursuant to ORS 86A.224(3)(a) and ORS 697.832, the Director hereby orders Marak to pay a civil penalty in the amount of $10,000. The civil penalty is based on the following:

a. $5,000.00 for violations of ORS 86A.103(1) and ORS 697.612(1)(a) and;

b. $5,000.00 for violation of ORS 697.692(1).

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

Dated this 11th day of October, 2013 at Salem, Oregon.

Patrick M. Allen, Director
Department of Consumer and Business Services

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

NOTICE

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

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