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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:

DM-12-0047

National Freedom Group, LLC

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

Respondent.

On October 4, 2014, the Director of the Department of Consumer and Business Services for the State of Oregon (the Director), acting pursuant to the authority contained in Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., issued Administrative Order No. M-12-0047 Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing in the matter of National Freedom Group, LLC (NFG).

On October 14, 2014, the Director mailed Daryl Langrine of NFG a certified true copy of the Order by regular, first-class mail and by certified mail, postage prepaid addressed to Daryl Langrine 641 Victoria Street, Costa Mesa, CA 92627. It appears that the Post Office forwarded the mail to Daryl Langrine at 2109 Martin, Enid, OR 73071 because the return receipt card shows that address and that Daryl Langrine signed for the Notice Order on October 29, 2014 at the Oklahoma address. To date, the regular, first-class mailing has not been returned.

No one on behalf of Respondent has filed a written request for a contested case hearing in this matter and the time do so has expired.

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. At all times material to this Order, National Freedom Group, LLC (hereinafter “NFG”)
4 has reported a principal place of business of 2222 Michelson Drive, Suite 497 Irvine, CA
5 92612.

6 2. NFG has never been registered with the Oregon Secretary of State to do business in
7 Oregon.

8 3. NFG has never held a license to engage in residential mortgage transactions as a mortgage
9 broker in Oregon and has never been registered to provide debt management services in Oregon.

10 LP Agreement

11 4. At all times material to this Order, consumer LP was an Oregon resident and was party to a
12 home mortgage loan secured by real estate located in Oregon.

13 5. On or about December 29, 2011, LP entered into a Loan Modification Disclosure &
14 Agreement with Respondent whereby Respondent agreed to provide LP loan modification services
15 in exchange for \$1,795, all of which LP paid in advance to any performance on the agreement by
16 Respondent.

17 6. On or about February 7, 2012, LP made two advance payments to Respondent for
18 loan modification services.

19 7. The first payment, in the amount of \$1,000, was made by ACH debit from LP’s
20 bank account and referenced by check number 1441.

21 8. The second payment, in the amount of \$795, was made by ACH debit from LP’s
22 bank account and referenced by check number 3000.

23 9. Although the February 7, 2012, advance payments were debited from LP’s
24 account, Respondent did not provide any loan modifications services as required under the Loan
25 Modification Disclosure & Agreement.

26 //





1 10. In a telephone conversation with LP's lender, LP was told that Respondent had
2 not contacted the lender to negotiate a loan modification or for any other reason.

3 11. LP has never received loan modification services, a loan modification, or a refund
4 from NFG.

5 RB Agreement

6 12. At all times material to this Order, consumer RB was an Oregon resident and was
7 party to a home mortgage loan secured by real estate located in Oregon.

8 13. On or about January 1, 2012, RB entered into a Loan Modification Disclosure &
9 Agreement with Respondent whereby Respondent agreed to provide RB loan modification services
10 in exchange for \$1,795, all of which RB paid in advance to any performance on the agreement by
11 Respondent.

12 14. On or about February 6, 2012, RB made the first advance payment of \$875 to Respondent
13 by check number 6780.

14 15. On or about March 1, 2012, RB made the second advance payment \$875 to Respondent
15 by check number 1000.

16 16. Respondent did not provide any loan modifications services for RB.

17 17. RB has never received loan modification services, a loan modification, or a refund
18 from NFG.

19 18. On August 22, 2013 the State of Maryland issued a Summary Order against Respondent for
20 engaging in similar activity as alleged herein within the state of Maryland.

21
22 **CONCLUSIONS OF LAW**

23 The Director concludes that:

24 1. NFG acted as a "mortgage broker" under ORS 86A.100(5)(a)(C) when NFG for
25 compensation, or in the expectation of compensation, either directly or indirectly made,
26



1 negotiated, or offered to make or negotiate a modification to the terms and conditions of a
2 mortgage loan.

3 2. NFG engaged in “residential mortgage transactions in this state” under
4 ORS 86A.103(2) by acting as a mortgage broker when NFG offered to negotiate a
5 modification to the terms and conditions of LP and RB’s residential mortgage loan secured by
6 property located in Oregon.

7 3. NFG violated 86A.103(1) by engaging in residential mortgage transactions
8 for LP and RB in Oregon without first obtaining a license as a mortgage broker under ORS
9 86A.095 to 86A.198.

10 4. NFG received money or expected to receive money from LP and RB for providing
11 advice, assistance, instruction or instructional material concerning a debt management service,
12 modifying the terms and conditions of an existing loan under ORS 697.602(2)(c), in violation of
13 ORS 697.612(1)(b)(E).

14 5. NFG violated ORS 697.692(1)(a) by accepting or receiving an initial fee of more
15 than \$50 from LP.

16 6. NFG violated ORS 697.692(1)(a) by accepting or receiving an initial fee of more
17 than \$50 from RB.

18 7. NFG knowingly misrepresented to LP and RB that they would provide loan
19 modification services, and then failed to have any further contact with LP or RB, failed to
20 provide loan modification services, and failed to provide a refund in violation of ORS
21 86A.154(3).

22 **ORDERS**

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

24 1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby orders
25 NFG and all entities owned or controlled by NFG, to cease and desist from violating the

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1 Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and debt management
2 service providers, ORS 697.602 to 697.842.

3 2. Pursuant to ORS 86A.992, the Director may assess a civil penalty in the amount of not
4 more than \$5,000 per violation against any person who violates or who procures, aids or abets in
5 the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued under
6 ORS 86A.124 or 86A.242. Pursuant to the authority of ORS 697.832, the Director may assess a
7 civil penalty in an amount of not more than \$5,000 per violation against any person who violates
8 ORS 697.612 or 697.642 to 697.702, rules adopted under ORS 697.632, or any order issued
9 under ORS 697.825.

10 3. The Director orders Respondent to pay civil penalties in the amount of \$30,000 as
11 follows:

- 12 a. \$10,000 (\$5,000 civil penalty per violation) for committing two violations of ORS
13 86A.103(1) and 697.612(1)(b)(E).
- 14 b. \$10,000 (\$5,000 civil penalty per violation) for committing two violations of ORS
15 697.692(1)(a).
- 16 c. \$10,000 (\$5,000 civil penalty per violation) for committing two violations of ORS
17 86A.154(3).

18 4. This order is a Final Order under ORS 183.310(6)(b). Subject to that provision, the
19 entry of this order does not limit other remedies that are available to the Director under Oregon
20 law.

21 Dated this 5th day of December, 2014.

22
23 PATRICK M. ALLEN, Director
Department of Consumer and Business Services

24
25 /S/ David Tatman
26 David C. Tatman, Administrator
Division of Finance and Corporate Securities



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NOTICE: You may be 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 of the date from service of this order. Judicial review is pursuant to the provisions of ORS 182.482 to the Oregon Court of Appeals.