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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: Legal Affiliates Group and Tobias West <p style="text-align: center;">Respondents.</p>	DM-13-0592 Final Order to Cease and Desist and Order Assessing Civil Penalties Entered by Default
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On June 2, 2014, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the 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 (hereinafter “the Oregon Mortgage Lender Law”), issued administrative order case no. DM-13-0592, Amended Order to Cease and Desist, Proposed Order Assessing Civil Penalties and Notice of Right to a Hearing to Legal Affiliates Group (hereinafter “LAG”) and Tobias West (hereinafter “West”).

Upon information and belief, West was the owner and a control person of LAG.

On June 24, 2014, the Director mailed a true copy of the order by regular, first-class mail and by certified mail, postage prepaid addressed to West at 5600 Wilshire Boulevard #447, Los Angeles, California 90036. These mailings were returned as unclaimed.

On July 15, 2014, West’s attorney on an unrelated matter, Henry Lippek, accepted service of the order on West’s behalf.

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 Neither Legal Affiliates Group nor West has not made a written request for a contested
2 case hearing in this matter, and the time to do so has expired.

3 **FINDINGS OF FACTS**

4 The Director FINDS that:

5 1. Legal Affiliates Group (hereinafter “LAG”) is a California entity operating from 8200
6 Wilshire Boulevard, Suite 490, Beverly Hills, California 90211 and 1801 Century Park East 24th
7 Floor, Century City, California 90067.

8 2. LAG is not registered to do business with the California Secretary of State or with the
9 Oregon Secretary of State, and LAG is not registered as a fictitious business name filed in Los
10 Angeles County.

11 3. Tobias West (hereinafter “West”) was an owner of LAG.

12 4. At all times material to this order, Ocean Ballard Reynolds (hereinafter “Reynolds”) and
13 Michael Bishop (hereinafter “Bishop”) were known to have been employed by or associated
14 with LAG.

15 5. Neither LAG, nor Reynolds, nor Bishop is licensed to engage in Oregon residential
16 mortgage transactions as a mortgage broker, and neither is registered to provide debt management
17 services in Oregon.

18 6. Neither Reynolds nor Bishop is licensed to engage in Oregon residential mortgage
19 transactions as a mortgage loan originator.

20 7. Neither Reynolds nor Bishop is licensed or otherwise authorized to act as an Oregon
21 attorney.

22 8. At all times material to this order, consumers “GM” and “BB” were Oregon residents party
23 to a home mortgage loan secured by real estate located in Oregon.

24 9. LAG and Reynolds offered to negotiate a modification to the terms and conditions of GM’s
25 residential mortgage loan for a fee, and GM entered into an agreement with LAG for loan
26 modification services on July 16, 2012.





1 10. LAG and Reynolds represented to GM that they were authorized to assist in obtaining a
2 loan modification on GM's mortgage loan.

3 11. GM paid \$1,295 on August 1, 2012 and \$1,225 on September 1, 2012 to LAG for loan
4 modification services.

5 12. GM has not received further contact from LAG, a loan modification, or a refund.

6 13. LAG and Bishop offered to negotiate a modification to the terms and conditions of BB's
7 residential mortgage loan for a fee, and BB entered into an agreement with LAG for loan
8 modification services on September 30, 2012.

9 14. BB paid \$1,095 on October 3, 2012 and \$1,095 on September 1, 2012 to LAG for loan
10 modification services.

11 15. BB attempted to contact LAG and has not received a response, a loan modification, or
12 refund.

13 **CONCLUSIONS OF LAW**

14 The Director CONCLUDES that:

- 15 1. As an owner of LAG, West is responsible for the debts of LAG.
- 16 2. LAG acted as a "mortgage broker" under ORS 86A.100(5)(a)(C) when it, for
17 compensation or in the expectation of compensation, either directly or indirectly made,
18 negotiated, or offered to make or negotiate a modification to the terms and conditions of GM's
19 and BB's mortgage loans.
- 20 3. LAG engaged in "residential mortgage transactions in this state" under ORS 86A.103(2)
21 by acting as a mortgage broker when it offered to negotiate a modification to the terms and
22 conditions of GM's and BB's residential mortgage loans secured by property located in Oregon.
- 23 4. LAG violated 86A.103(1) by engaging in residential mortgage transactions in Oregon
24 without first obtaining a license as a mortgage broker under ORS 86A.095 to 86A.198.
- 25 5. LAG may not rely upon the exclusion from the definition of mortgage broker contained
26 in ORS 86A.100(5)(b) because neither Reynolds nor Bishop is an attorney licensed or



1 authorized to practice law in Oregon.

2 6. LAG received money or other valuable consideration, or expected to receive money or
3 other valuable consideration, for obtaining or attempting to obtain, as an intermediary on GM's
4 and BB's behalf, a concession from a creditor including, but not limited to, a reduction in the
5 principal, interest, penalties or fees associated with the debt without registering under ORS
6 697.632 in violation of ORS 697.612(1)(a).

7 7. LAG may not rely upon the exclusion from registration as a debt management service
8 provider contained in ORS 697.612(3) because neither Reynolds nor Bishop is an attorney
9 licensed or authorized to practice law in Oregon.

10 8. LAG represented to GM that it was authorized to perform a debt management service
11 when they were not authorized under Oregon law to perform a debt management service in
12 violation of ORS 697.662(2).

13 9. LAG represented to BB that it was authorized to perform a debt management service
14 when it was not authorized under Oregon law to perform a debt management service in
15 violation of ORS 697.662(2).

16 **ORDERS**

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

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

22 2. Pursuant to ORS 86A.992, the Director may assess a CIVIL PENALTY in the amount of
23 not more than \$5,000 per violation against any person who violates or who procures, aids or
24 abets in the violation of any provision of the Oregon Mortgage Lender Law. Pursuant to the
25 authority of ORS 697.832, the Director may assess a CIVIL PENALTY in an amount of not
26 more than \$5,000 per violation against any person who violates ORS 697.612 or ORS 697.642 to

1 697.702, or rules adopted under ORS 697.632.

2 a. Pursuant to ORS 86A.224(3)(a) and ORS 697.832, the Director orders West and
3 LAG to pay a CIVIL PENALTY, jointly and severally, in the amount of
4 \$15,000. This civil penalty is based upon \$15,000 for the violations of ORS
5 86A.103(1) (unlicensed mortgage broker)/ORS 697.612 (unregistered debt
6 management service provider) and ORS 697.662(2) (unauthorized
7 representation).

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

12 Dated this 2nd day of June, 2014.

13
14 PATRICK M. ALLEN, Director
Department of Consumer and Business Services

15
16 /s/ David Tatman
David C. Tatman, Administrator
17 Division of Finance and Corporate Securities

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

