STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of AMERICAN PROCESSING COMPANY, DBA AP COMPANY; and GEOFFREY JOSEPH GUSTAFSON, Respondents.	Case No. DM-15-0088 FINAL ORDER TO CEASE AND DESIST, AND ASSESSING CIVIL PENALTIES AND RESTITUTION, ENTERED BY DEFAULT

On July 7, 2015, the Director of the State of Oregon, Department of Consumer and Business Services (the "***Director***"), acting under the authority of the Oregon statutes relating to debt management service providers, Oregon Revised Statutes ("***ORS***") 697.602 to 697.842, the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, the Oregon statutes regulating mortgage loan originators, ORS 86A.200 to 86A.239, and the administrative rules promulgated thereunder, issued Administrative Order No. DM-15-0088, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTIES, PROPOSED ORDER OF RESTITUTION, AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the "***Notice Order***") against Respondents American Processing Company, doing business as AP Company, and Geoffrey Joseph Gustafson (collectively "***Respondents***").

On July 13, 2015, the Notice Order was sent to Respondent American Processing Company, doing business as AP Company (the "***Company***") by certified United States Mail, postage prepaid, to the following purported business addresses of the Company: (1) 1100 Town & Country Road, Suite 1250, Orange, CA 92828 (Article No. 7014 2870 0001 3527 7985); and (2) 8400 East Crescent Parkway, Suite 600, Greenwood Village,

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CO 80111 (Article No. 7014 2870 0001 3527 7992).

On July 13, 2015, the Notice Order was sent to Respondent Geoffrey Joseph Gustafson ("***Gustafson***") by certified United States Mail, postage prepaid, to 2231 Irvine Ave., Newport Beach, CA 92660, the most recent address identified for Gustafson (Article No. 7014 2870 0001 3527 8005).

On July 13, 2015, the Notice Order was also sent to Respondents by first class mail to the addresses noted above, and by electronic mail, to the following electronic mail addresses: (1) to the Company at support@ap-company.net, and; (2) to Gustafson at ggusty88@gmail.com.

With respect to the Company, on July 13, 2015, via hand delivery, the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities (the "***Division***") also served the Notice Order on the Oregon Secretary of State, Corporations Division, pursuant to ORS 60.731(2)(c) and (e), as the Company purports to operate out of offices located in California and Colorado, and has been and/or is engaged in the unauthorized transaction of business in Oregon.

In accordance with OAR 137-003-0075, the Notice Order designated the file of the Division, including all materials submitted by Respondents, as the record for the purpose of making a prima facie case in the event that the Director entered a final order against Respondents by default.

Respondents did not timely or properly request a hearing.

Now, therefore, after consideration of the record, the Director issues the following Findings of Fact, Conclusions of Law, and Final Order.

I. FINDINGS OF FACT

The Director FINDS that:

1. At all times material to this order, the Company purported to operate out of offices located at 1100 Town & Country Road, Suite 1250, Orange, CA 92828 and 8400

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East Crescent Parkway, Suite 600, Greenwood Village, CO 80111. Based on a search of the California Secretary of State ("***SOS***") records, as of July 1, 2015, the Company is not, and has not previously been, registered with the California SOS as a domestic or foreign entity or assumed business name. Based on a search of the Colorado SOS records, as of July 1, 2015, the Company is not, and has not previously been, registered with the Colorado SOS as a domestic or foreign entity or assumed business name.

2. Upon information and belief, Gustafson is a California resident.

3. Upon information and belief, and at all times material to this order, Gustafson is and was an owner and/or control person of the Company, and engaged in business activities involving Oregon consumers and Oregon real property.

4. The Company is not currently and has not previously been registered with the Oregon Secretary of State to conduct business in Oregon.

5. The Respondents are not, and never have been, registered with the Division to provide "debt management services" in Oregon, as that term is defined in ORS 697.602(2)(c).

6. At no time material to this matter did Respondents file a surety bond with the Director to engage in debt management services in Oregon.

7. The Company is not and never has been licensed with the Division to engage in "residential mortgage transactions" as a "mortgage broker," as those terms are defined in ORS 86A.100.

8. Gustafson is not and never has been licensed with the Division to engage in business as a "mortgage loan originator," as that term is defined in ORS 86A.200.

9. At all times material to this order, the consumers identified herein as "***PC***" and "***SC***," husband and wife (hereinafter collectively the "***Consumers***"), were Oregon residents and were parties to a residential mortgage loan secured by real estate located in Springfield, Oregon (the "***Property***").

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10. In March 2014, Respondents offered, for a fee, to negotiate a modification of the Consumers' residential mortgage loan with their lender including, but not limited to, a reduction in the principal, interest, penalties or fees associated with the loan.

11. On March 19, 2014, the Consumers signed an agreement with the Company for modification of the mortgage loan, under the terms of which the Consumers were to pay a fee of $695 for "Document Preparation" and a monthly recurring fee of $499 for "Post-Monitoring."

12. The Consumers made the following payments to the Company in exchange for its loan modification services, for a total amount of $2,294: $695 on March 28, 2014; $399 on April 22, 2014; $400 on July 3, 2014; $400 on July 25, 2014, and; $400 on August 11, 2014.

13. Upon information and belief, Gustafson directly received one or more of the above-described payments on behalf of the Company.

14. The Consumers received repeated requests from their lender for documents which they had already provided to Respondents, and which Respondents represented had been sent to the lender as part of the loan modification services.

15. Respondents were unsuccessful in obtaining a loan modification for the Consumers.

16. Respondents have failed to refund the $2,294 in fees that the Consumers paid for the purpose of obtaining a loan modification.

CONCLUSIONS OF LAW

The Director concludes that:

17. Respondents performed "debt management services," as that term is defined in ORS 697.602(2)(c) and (d), respectively, when Respondents:

A. Offered to modify the terms and conditions of the Consumers' existing loans or obligations; and

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B. Attempted to obtain as an intermediary on the Consumers' behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties, or other fees associated with a debt.

18. Respondents acted as "debt management service providers," as defined in ORS 697.602(3) when they provided or performed, or represented that they would provide or perform, the above-described debt management services to the Consumers for an initial fee of more than $50.00 each.

19. Respondents were not exempt from the statutes regulating debt management service providers, ORS 697.602 to 697.842, because Respondents were not licensed as mortgage brokers under ORS 86A.095 to 86A.198, and Gustafson was not licensed as a mortgage loan originator under ORS 86A.200 to 86A.239, at any time material to this Order.

20. Respondents violated ORS 697.612(1)(a) when Respondents provided debt management services to the Consumers without first registering with the Division as debt management service providers.

21. Respondents violated ORS 697.662(7)(a) and (12)(d)(A), respectively, when Respondents:

A. Accepted and received unauthorized and excessive fees from the Consumers for the provision of debt management services, in violation of ORS 697.692; and

B. Misrepresented to the Consumers, directly or indirectly, the nature of the debt management services that Respondents would perform.

22. Respondents violated ORS 697.642 when Respondents provided debt management services without first filing with the Division a bond issued by one or more corporate sureties authorized to do business in Oregon.

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23. Respondents acted as "mortgage brokers" under ORS 86A.100(5)(a)(C) when Respondents, for compensation or in the expectation of compensation, either directly or indirectly made, negotiated, or offered to make or negotiate a modification to the terms and conditions of the Consumers' residential mortgage loan.

24. Respondents engaged in "residential mortgage transactions in this state" under ORS 86A.103(2) by acting as mortgage brokers when Respondents offered to negotiate a modification to the terms and conditions of the Consumers' residential mortgage loan secured by property located in Oregon.

25. Respondents violated ORS 86A.103(1) by engaging in residential mortgage transactions in Oregon without first obtaining a mortgage broker license under ORS 86A.095 to 86A.198.

26. Gustafson acted as a "mortgage loan originator" under ORS 86A.200(4)(a)(B) when Gustafson, for compensation, negotiated or offered to negotiate the Consumers' residential mortgage loan.

27. Gustafson violated ORS 86A.203(1)(a) when Gustafson engaged in business as a mortgage loan originator in Oregon without first obtaining a mortgage loan originator's license under ORS 86A.212.

III. ORDERS

The Director ISSUES the following ORDERS:

Order to Cease and Desist

28. Pursuant to ORS 697.825(1)(a), ORS 86A.127(4), and ORS 86A.224(2), the Director hereby ORDERS Respondents, and all entities owned or controlled by Respondents, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, the Oregon statutes regulating mortgage loan originators, ORS 86A.200 to 86A.239, or any

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administrative rule adopted by the Director under those statutes.

Order Assessing Civil Penalties

29. Pursuant to the authority of ORS 697.832(1), ORS 86A.992, and ORS 86A.224(3), the Director may assess CIVIL PENALTIES against persons who violate the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, the Oregon Mortgage Lender Law, ORS 86A.095 to 86A.198, or the Oregon statutes regulating mortgage loan originators, ORS 86A.200 to 86A.239, or any administrative rule adopted by the Director under those statutes, in an amount not to exceed $5,000.00 per violation.

30. The Director hereby assesses CIVIL PENALTIES against Respondents, jointly and severally, in the total amount of forty thousand dollars ($40,000.00), as follows:

A. A CIVIL PENALTY of ten thousand dollars ($10,000.00) for committing one violation of ORS 697.612(1)(a) and ORS 86A.103(1) with respect to each of the two Consumers;

B. A CIVIL PENALTY of ten thousand dollars ($10,000.00) for committing one violation of ORS 697.662(7)(a) with respect to each of the two Consumers;

C. A CIVIL PENALTY of ten thousand dollars ($10,000.00) for committing one violation of ORS 697.662(12)(d)(A) with respect to each of the two Consumers; and

D. A CIVIL PENALTY of ten thousand dollars ($10,000.00) for committing one violation of ORS 697.642 with respect to each of the two Consumers.

Order of Restitution

31. Pursuant to the authority of ORS 86A.224(2)(c), the Director may order a person that is subject to regulation under ORS 86A.200 to 86A.239 to pay RESTITUTION to a consumer that the Director finds suffered harm from the person's

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acts, practices or operations, or as a result of the person's violation of a provision of ORS 86A.200 to 86A.239.

32. The Director hereby orders Gustafson to pay restitution to the Consumers in the amount of two thousand two hundred ninety-four dollars ($2,294.00).

IV. AUTHORITY OF THE DIRECTOR TO SEEK OTHER REMEDIES UNDER OREGON LAW

33. 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, sanctions, or actions which may be available to the Director under Oregon law.

IT IS SO ORDERED.

Dated this 14th day of August, 2015.

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

/s/ David Tatman
David C. Tatman, Administrator
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NOTICE OF RIGHT TO APPEAL

A person aggrieved by an Order of the Director of the Department of Consumer and Business Services which has been the subject of a timely application for a hearing before the director shall be entitled to judicial review of the order under ORS Chapter 183. Pursuant to ORS 697.825(2)(d) and (e), and ORS 86A.139(2), a person who does not timely file a request for a hearing on an order is not entitled to judicial review.

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