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

In the Matter of	Case No. DM-15-0019
HOME LEGAL SOLUTIONS, INC.; fka HOME SOURCE LEGAL, INC.,	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY AND CONSENT TO ENTRY OF ORDER
Respondent.	

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director"), acting pursuant to the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, has conducted an investigation of Home Legal Solutions, Inc., formerly known as Home Source Legal, Inc. (hereinafter referred to as "HLS").

HLS wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, HLS hereby CONSENTS to entry of this Order.

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

I. FINDINGS OF FACT

The Director FINDS that:

1. At all times relevant to this matter, HLS was a California company engaging in debt management services as defined by ORS 697.602(2)(d), by receiving money in return for obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.

2. HLS represented to at least one Oregon consumer that it was authorized to perform or furnish debt management services to Oregon consumers.

3. At no time material to this Order was HLS registered in Oregon with the Director as a debt management service provider as required by Oregon law.

4. At no time material to this Order did HLS file a surety bond with the Director as required by Oregon law.

5. At all times relevant to this matter, an individual identified as "JDE" was a resident of the State of Oregon.

6. In July 2014, HLS offered residential home loan modification services to JDE. JDE was initially told these services would be provide free of charge, but JDE was then told he would have to pay $1,600 before HLS would provide assistance to him.

II. CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. HLS performed debt management services as defined by ORS 697.602(2) when it received money or expected to receive money in return for obtaining or attempting to obtain as an intermediary on a consumer's behalf a concession from a creditor including, but not limited to, a reduction in the principal, interest, penalties or fees associated with a debt.

8. HLS violated ORS 697.612(1) by engaging in the business of debt management service provider without being registered with the Director.

9. HLS violated ORS 697.662(2) by representing to an Oregon consumer that the company was authorized to perform a debt management service in Oregon when it was not so authorized.

10. HLS violated ORS 697.642(1) when it performed debt management services without first filing a surety bond issued by one or more corporate sureties authorized to do business in Oregon.

//

//

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

III. ORDERS

Now, therefore, the Director issues the following ORDERS:

Order to Cease and Desist

11. In accordance with ORS 697.825(1)(a), the Director hereby ORDERS HLS, and all entities owned or controlled by HLS, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt management service providers, ORS chapter 697, and any rule, order, or policy issued by the Director under ORS chapter 697.

Order Assessing Civil Penalty

12. In accordance with ORS 697.832(1), 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 697.642 to 697.702, rules adopted under ORS 697.632, or any order issued under ORS 697.825.

13. In accordance with ORS 697.832(1), the Director ORDERS HLS to pay a CIVIL PENALTY in the amount of $15,000 (fifteen thousand dollars) as follows:

A. A CIVIL PENALTY of $5,000 (five thousand dollars) for violating the registration provisions of ORS 697.612(1) by engaging in the business of performing debt management services without being registered with the Director;

B. A CIVIL PENALTY of $5,000 (five thousand dollars) for violating ORS 697.662(2) by representing to an Oregon consumer that HLS was authorized to furnish a debt management service when the firm was not actually authorized under Oregon law; and

C. A CIVIL PENALTY of $5,000 (five thousand dollars) for performing debt management services without first filing a bond as required by ORS 697.642(1).

Suspension of Civil Penalty

14. The Director agrees to SUSPEND the collection of $10,000 (ten thousand dollars) of the CIVIL PENALTY assessed herein provided that HLS complies with all of the

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

following terms and conditions:

A. Effective the date of this Order, HLS will cease offering debt management services, or other services that require HLS to be registered with the Director under ORS 697.632, to any Oregon resident.

B. Within 30 days of the date of this Order, HLS will either apply to the Director to become registered as an Oregon debt management service provider in accordance with ORS 697.632, or will by that date completely wind down and cease to provide any debt management services in Oregon. During the winding down period, HLS may assist their Oregon clients in finding registered debt management providers and moving their accounts to such providers. HLS may move or complete any existing accounts only without further fees or charges to the client.

C. HLS will comply with all terms and conditions set out in this Order and commit no new violations of the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825.

D. The assessed portion of the CIVIL PENALTY in the amount of $5,000 (five thousand dollars) is due and payable upon HLS's execution of this Order.

15. If HLS complies with all of the terms and conditions set out in this Order and the Director has not initiated an enforcement action for any new violations of the Oregon statutes regulating debt management service providers during the three-year period from the effective date of this Order, the Director WAIVES the collection of the suspended CIVIL PENALTY agreed to herein.

16. The Director reserves the right to immediately take enforcement action, pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL PENALTY if HLS violates any term of this Order.

//

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

Investigation Cost

17. Under ORS 697.732(1)(e), the Director may charge for the reasonable cost of an investigation. In accordance with that authority, the Director hereby assesses HLS $500 (five hundred dollars) for the cost of investigating the debt management services being offered by HLS to Oregon consumers. This amount shall be due and payable upon HLS's execution of this Order.

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

SO ORDERED this 11th day of May, 2015 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

[The remainder of this page intentionally left blank.]

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

CONSENT TO ENTRY OF ORDER

I, Charles Billinger, state that I am an officer of Home Legal Solutions, Inc., formerly known as Home Source Legal, Inc. (hereinafter "HLS"), and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that HLS and I have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that HLS, voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that HLS, executes this Order as a settlement of the matters referred to in the foregoing Order; that HLS understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of future violations of the Oregon statutes regulating debt management service providers, ORS 697.602 to 697.842, the rules adopted pursuant to ORS 697.632, or any order issued under ORS 697.825, and that HLS will fully comply with the terms and conditions stated herein.

HLS further assures the Director that neither HLS, nor its officers, directors, employees or agents, will offer to provide services in Oregon unless such services are in full compliance with Chapter 697 of the Oregon Revised Statutes.

HLS understands that this Order is a public document.

HOME LEGAL SOLUTIONS, INC.

By: Charles Billinger
Signature

/s/ Charles Billinger
Printed Name

President
Office Held

State of California

County of San Diego

Signed or attested before me on this 1st day of May, 2015

by Charles Billinger.

/s/ Lynn D. Trude
Notary Public

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