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

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BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Case No. DM-15-0128

THOMASSEN LAW GROUP, and;
LAW OFFICES OF MARILYN
THOMASSEN & ASSOCIATES, PC,

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY,
AND CONSENT TO ENTRY OF
ORDER

Respondent.

WHEREAS, 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 Thomassen Law Group and the Law Offices of Marilyn Thomassen & Associates, PC (collectively “*Respondents*”), and has concluded that violations of Oregon law have been committed;

WHEREAS Respondents submit to the jurisdiction of the Director, but otherwise, Respondents neither admit nor deny the Findings of Fact and Conclusions of Law set forth in Sections I and II below; and

WHEREAS Respondents wish to resolve this matter with the Director;

NOW THEREFORE, the Director hereby issues the following Findings of Fact and Conclusions of Law and Order, to which Respondents consent, as evidenced by the signature(s) subscribed on this Order.

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1 **I. FINDINGS OF FACT**

2 The Director FINDS that, at all times relevant to this matter:

3 1. The principal place of business for Thomassen Law Group (“**TLG**”) was 402 W.
4 Broadway #400, San Diego, CA 92101. The principal places of business for the Law Offices of
5 Marilyn Thomassen & Associates, PC (“**MT&A**”) were 2670 S. White Rd., Suite 119, San Jose,
6 CA 95148 and 1918 Dover Drive, Newport Beach, CA 92660. TLG and MT&A are affiliated
7 companies.

8 2. Respondents broadcast a television advertisement in Oregon, wherein Respondents
9 solicited Oregon residents with consumer debt of \$15,000 or more to contact Respondents, and
10 represented that Respondents may be able to “reduce [the] debt up to 50%” and obtain lower
11 monthly payments for the consumer.

12 3. Between January 2009 and September 2013, Respondents entered into “Retainer
13 Agreements” (the “**Agreements**”) with approximately 30 Oregon residents (the “**Consumers**”),
14 for the purpose of negotiating compromises or settlements with the Consumers’ creditors.

15 4. Some of the Agreements with the Consumers required an up-front, non-refundable
16 “retainer fee” of between 6% and 10% of the total debt to be negotiated, together with a
17 “contingency fee” payment of between 15%-20% of the amount by which the total debt was
18 reduced at the time of settlement. The Agreements that did not include an up-front “retainer” fee
19 required a higher “contingency fee” payment of 29% of the amount by which the total debt was
20 reduced at the time of settlement.

21 5. The Agreements further required the Consumers to make regular monthly payments
22 to a “trust” or “settlement” account set up by Respondents, with the monthly payment amounts
23 determined based on the total debt owed. The funds in the “trust” or “settlement” accounts were
24 to accumulate and be used to pay negotiated settlements with creditors.

25 6. The Agreements provided that Respondents were not required to “represent the
26 Consumers in any matter before the court, in arbitration or other type of hearing” and that such

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 representation would require a separate written agreement.

2 7. While Respondents had an arrangement with certain Oregon licensed attorneys to
3 “prepare and file an answer and appear in court on behalf of” the Consumers as necessary for an
4 additional charge of \$350, this arrangement was very limited in scope and none of the debt
5 management services that fell outside this limited scope were provided or supervised by such
6 attorneys, but rather were provided solely by Respondents.

7 8. Respondents were not and are not registered in Oregon with the Director as debt
8 management service providers. Further, Respondents did not and have not filed a surety bond
9 with the Director as related to Respondents’ provision of debt management services in Oregon.

10 9. Respondents have ceased offering debt negotiation services to Oregon consumers.

11 **II. CONCLUSIONS OF LAW**

12 The Director CONCLUDES that:

13 10. Respondents performed “debt management services” as defined by ORS
14 697.602(2)(a), (c) and (d), respectively, when Respondents received money or expected to
15 receive money from the Consumers, among other Oregon consumers, in return for:

- 16 A. Receiving or offering to receive funds from a consumer for the purpose of
17 distributing the funds among the Consumers’ creditors in full or partial payment of
18 the Consumers’ debts;
- 19 B. Modifying or offering to modify terms and conditions of an existing loan or
20 obligation; and
- 21 C. Obtaining or attempting to obtain as an intermediary on a consumer’s behalf a
22 concession from a creditor including, but not limited to, a reduction in the principal,
23 interest, penalties or fees associated with a debt.

24 11. Respondents acted as debt management service providers as defined by ORS
25 697.602(3) when Respondents performed, or represented that they could or would perform a debt
26 management service for the Consumers, among other Oregon consumers, in return for or in



1 expectation of money.

2 12. Respondents do not meet the “attorney exemption” to the debt management service
3 provider registration requirements set forth in ORS 697.612(3). Specifically, Respondents are
4 not “an attorney” licensed or authorized to practice law in this state, as Respondents are legal
5 entities not individual attorneys. While Respondents had an arrangement with certain individual
6 Oregon attorneys, through which such attorneys would provide litigation services to
7 Respondents’ Oregon consumer clients as necessary for an additional \$350 fee, the “debt
8 management services” were provided solely by Respondents. Furthermore, the litigation services
9 provided in the context of the Agreements, if any, were not performed “incidentally in the
10 practice of law.”

11 13. Respondents violated ORS 697.612 by performing debt management services in
12 Oregon without being registered with the Director or meeting one of the exemptions set forth in
13 ORS 697.612.

14 14. Respondents violated ORS 697.642 by performing debt management services in
15 Oregon without first filing with the Director a bond issued by one or more corporate sureties
16 authorized to do business in Oregon.

17 15. Respondents violated ORS 697.662(7) by charging the Consumers fees for debt
18 management services in excess of the fees permitted by ORS 697.692.

19 16. Each instance in which Respondents performed debt management services in Oregon
20 without complying with Oregon law is a separate and distinct violation.

21 **III. ORDERS**

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

23 Final Order to Cease and Desist

24 17. Pursuant to the authority of ORS 697.825(1)(a), the Director hereby ORDERS
25 Respondents, and all entities owned or controlled by Respondents, their successors and assigns,
26 and all entities or persons that own or control Respondents, their successors and assigns, to



1 CEASE AND DESIST from violating any provision of the Oregon statutes regulating debt
2 management service providers, ORS chapter 697, and any rule, order, or policy issued by the
3 Director under ORS chapter 697.

4 Final Order Assessing Civil Penalty

5 18. Pursuant to the authority of ORS 697.832, the Director may assess a CIVIL
6 PENALTY in an amount of not more than \$5,000 per violation against any person who violates
7 ORS 697.612 or 697.642 to 697.702, the rules adopted under ORS 697.632, or any order issued
8 under ORS 697.825.

9 19. The Director hereby assesses a CIVIL PENALTY against Respondents, jointly and
10 severally, in the total amount of thirty thousand dollars (\$30,000), as follows:

11 A. A CIVIL PENALTY of ten thousand dollars (\$10,000) for violating ORS 697.612 by
12 performing debt management services for approximately 30 Oregon consumers
13 without being registered with the Director;

14 B. A CIVIL PENALTY of ten thousand dollars (\$10,000) for violating ORS 697.642(1)
15 by performing debt management services in Oregon without first filing a bond issued
16 by one or more corporate sureties authorized to do business in Oregon; and

17 C. A CIVIL PENALTY of ten thousand dollars (\$10,000) for violating ORS 697.662(7)
18 by charging approximately 30 Oregon consumers fees in excess of those permitted in
19 ORS 697.692.

20 20. Respondents must pay \$10,000 of the \$30,000 CIVIL PENALTY within ten (10)
21 days from the effective date of this Order.

22 21. The Director agrees to SUSPEND the collection of \$20,000 of the \$30,000 CIVIL
23 PENALTY assessed herein provided that Respondents and their affiliates, successor or assigns,
24 and all entities or persons that own or control Respondents, comply with all terms and conditions
25 set out in this Order and commit no new violations of the Oregon statutes regulating debt
26 management service providers, ORS 697.602 to 697.842, the rules adopted pursuant to ORS



1 697.632, or any order issued under ORS 697.825.

2 22. If Respondents comply with all of the terms and conditions set out in this Order and
3 commit no new violations of the Oregon statutes regulating debt management service providers
4 during the three-year period from the effective date of this Order, the Director WAIVES the
5 collection of the suspended CIVIL PENALTY assessed herein.

6 23. The Director reserves the right to immediately impose the suspended CIVIL
7 PENALTY upon a determination that either one of the Respondents have violated any term of
8 this Order.

9 24. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that provision, the
10 entry of this Order does not limit other remedies that are available to the Director under Oregon
11 law.

12
13 IT IS SO ORDERED.

14 Dated this 27th day of October, 2015 at Salem, Oregon.

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

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

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22 Approved as to form:

23 /s/ Jamie S. Kilberg
24 Jamie S. Kilberg, OSB No. 110465
25 Attorney for Respondents

10/23/2015
Date

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, Marilyn Thomassen, state that I am an officer of Thomassen Law Group (“**TLG**”), 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 TLG has been represented by counsel in connection with this matter, and that I, on behalf of TLG, have had the opportunity to discuss the contents of this Order with that attorney; that I have been advised of TLG’s right to a hearing and I have knowingly and without force or duress elected to waive such hearing rights; that I, on behalf of TLG, voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I execute this Order on behalf of TLG as a settlement of the matters referred to in the foregoing Order; that I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other 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 TLG will fully comply with the terms and conditions stated herein.

I further assure the Director that neither TLG, nor its officers, directors, employees agents, or affiliates will offer or provide debt management services in Oregon unless such activities are in full compliance with Chapter 697 of the Oregon Revised Statutes.

I understand that this Order is a public document.

By: /s/ Marilyn Thomassen
Signature

By: Marilyn Thomassen
Printed Name

Office Held: President

ACKNOWLEDGMENT

State of California

County of Orange

There appeared before me this 20th day of October, 2015, Marilyn Thomassen, who was first duly sworn on oath, and stated that he/she was and is an officer of TLG, and that he/she is authorized and empowered to sign this Order on behalf of TLG, and to bind it to the terms hereof.

/s/ Shannon Fine
Notary Public for the State of: California
My Commission Expires: April 6, 2019

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CONSENT TO ENTRY OF ORDER

I, Marilyn Thomassen, state that I am an officer of the Law Offices of Marilyn Thomassen & Associates, PC (“**MT&A**”), 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 MT&A has been represented by counsel in connection with this matter, and that I, on behalf of MT&A, have had the opportunity to discuss the contents of this Order with that attorney; that I have been advised of MT&A’s right to a hearing and I have knowingly and without force or duress elected to waive such hearing rights; that I, on behalf of MT&A, voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I execute this Order on behalf of MT&A as a settlement of the matters referred to in the foregoing Order; that I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other 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 MT&A will fully comply with the terms and conditions stated herein.

I further assure the Director that neither MT&A, nor its officers, directors, employees agents, or affiliates will offer or provide debt management services in Oregon unless such activities are in full compliance with Chapter 697 of the Oregon Revised Statutes.

I understand that this Order is a public document.

By: /s/ Marilyn Thomassen
Signature

By: Marilyn Thomassen
Printed Name

Office Held: President

ACKNOWLEDGMENT

State of California

County of Monterey

There appeared before me this 19th day of October, 2015, Marilyn Thomassen, who was first duly sworn on oath, and stated that he/she was and is an officer of MT&A, and that he/she is authorized and empowered to sign this Order on behalf of MT&A, and to bind it to the terms hereof.

/s/ Ramon N. Vallejo
Notary Public for the State of: California
My Commission Expires: May 21, 2018