

Winter 2019

# Taking Action



To protect consumers and promote a healthy business climate

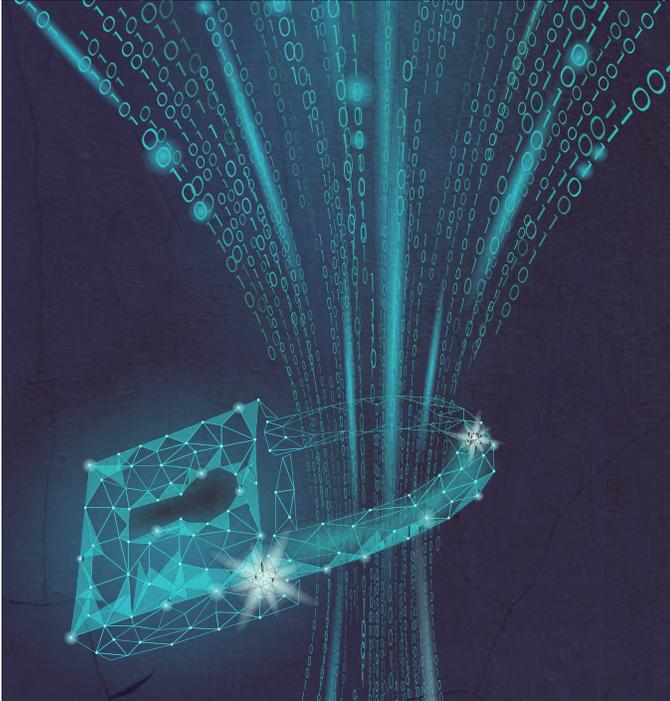
# Insurance



- **Pioneer Educators Health Trust, [INS-17-0016](#)** – The division issued a cease and desist order and assessed \$100,000 against Pioneer for unlawfully excluding Applied Behavioral Analysis (ABA) therapy from its 2015 health benefit plan. ABA therapy is a treatment for children diagnosed with Autism Spectrum Disorder. The unlawful exclusion resulted in the denial of at least one claim for ABA therapy. Pioneer re-processed and approved the claim during the division’s investigation.
- **Life Insurance Company of North America, [INS-18-0115](#)** – The division issued a cease and desist order and assessed \$110,000 against Life Insurance Company of North America for failing to acknowledge receipt of appeal requests from Oregon consumers within the required 30-day timeframe. The division took action against the company for the same violations in 2017, [INS-17-0059](#). The repeat offense was part of the consideration when assessing the civil penalties.
- **Javier De La O Bailon, [INS-18-0064](#)** – The division issued a cease and desist order, assessed \$5,000, and suspended the insurance producer license of Javier De La O Bailon for submitting an altered court document in an application for a personal auto insurance policy. Following the one-year suspension, De La O Bailon will be issued a conditional license for one year and be subject to regular monitoring by the division. De La O Bailon is also required to complete additional ethics training as a condition of licensure.
- **Paul Adams, [INS-18-0106](#)** – The division issued a cease and desist order and denied the renewal of Paul L. Adams insurance producer license to sell variable life policies. Adams failed to register with the Central Registration Depository, as required for variable life annuity salespersons, and failed to respond to the division’s requests for information.
- **Richard A. Hodges, [INS-19-0001](#)** – The division issued a cease and desist order and assessed \$500 against Florida insurance producer Richard A. Hodges for unlicensed activity. The investigation revealed Hodges submitted an application for AARP Medicare Complete Plan 2 for an Oregon consumer without being licensed to sell, solicit, or negotiate insurance in Oregon.
- **Lawrence Linder and L.J. Linder & Associates Insurance Services, Inc., [INS-18-0107](#)** – The California Department of Insurance revoked the insurance producer licenses of Linder and his company, L.J. Linder & Associates. The division followed Linder’s home state decision by issuing a cease and desist and revoking his licenses in Oregon as well.



# Securities



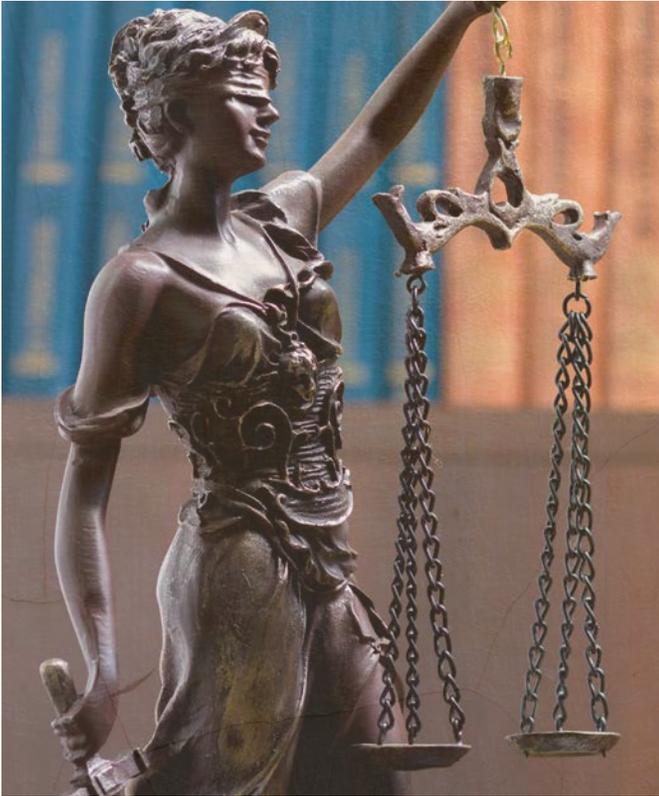
- **Lisa Scott, S-18-0098** – The division issued a cease and desist order, assessed \$15,000, and barred Oregon resident Lisa Scott from the Oregon securities industry for three years. Scott violated Oregon Securities law by raising money to fund an unregistered and unlawful Bitcoin investment company. She funneled investor money through her individual bank account, and transferred the funds to the illegal investment company in exchange for a commission.
- **CW Group, LLC and Bruce A. Wilbur, S-18-0104** - The division issued a cease and desist order and assessed \$5,000 against CW Group, LLC, and its owner and sole investment adviser, Bruce A. Wilbur, for violating Oregon Securities Law. While licensed with the division, CW Group and Wilbur failed to create and maintain written client contracts, keep a general ledger, provide the division with financial statements, and maintain a surety bond.
- **Laura O. Shean, S-17-0156** – The division issued a cease and desist order, assessed \$30,000, and revoked the insurance producer, salesperson, and investment adviser licenses of Oregon resident Laura O. Shean. Shean is also permanently barred from financial services business activities in Oregon. Shean misappropriated approximately \$125,000 from an elderly client's account, and used the money to pay her tax debts to the IRS. The elderly client's funds have been returned to him.
- **LPL Financial LLC, S-18-0034** – The division issued a cease and desist order and assessed \$499,000 against LPL Financial LLC. LPL Financial sold unregistered securities in Oregon and failing to reasonably supervise agents, staff, and employees in a way that prevents the sale of unregistered securities. The division's order was part of a multi-state investigation, coordinated by the North American Securities Administrators Association. It resulted in a \$26 million settlement. LPL Financial must complete a comprehensive review of its operations, policies, procedures, and transactions between Oct. 1, 2006 and May 1, 2018. It must also offer to repurchase securities from, or pay damages to, the Oregon investors who bought certain unregistered securities.
- **Charles L. "Jack" Frost, Bowls4Life and Acre, S-18-0040** - The division issued a cease and desist order and assessed \$60,000 against Charles L. "Jack" Frost and his businesses for selling unregistered securities without a license, and for making material misstatements and omissions in connection with the sale of convertible promissory notes in Frost's "fast casual" restaurant concept. Frost provided potential investors with inflated revenue projections, spent a significant portion of the \$343,000 he raised from Oregon investors on travel and meal expenses, and used investor money to make interest payments to investors. Frost failed to open the planned restaurant and failed to repay the investors. The \$60,000 assessed against Frost will be suspended, and ultimately waived, if he makes restitution payments to investors. Frost is permanently prohibited from seeking securities and/or

# Mortgage

- **Michael Joseph Clark, M-19-0003** - The division issued a cease and desist order and imposed conditions upon Michael Joseph Clark's mortgage loan originator license for failing to demonstrate financial responsibility. Clark was first licensed in Oregon as a mortgage loan originator in Sept. 2014. He filed for bankruptcy in 2014 and 2018, but did not disclose his latest bankruptcy to the division
- **USA Private Money Fund LLC, and Flip Your Capital Fund LLC, M-18-0105** – The division issued a cease and desist order and assessed \$10,000 against USA Private Money Fund LLC, for unlicensed mortgage activity, and for misrepresenting on its website that it was compliant with Oregon's licensure requirements.



# Other programs



## Debt manager

- **Ocean Legal Group, P.A., DM-18-0110** – The division issued a cease and desist order and assessed \$5,000 against Ocean Legal Group, a Florida company, for unlawfully soliciting and accepting money from at least 24 Oregon residents in exchange for promising a loan modification on their behalf, without being registered with the division or the Oregon Secretary of State.
- **Empire Legal Services, aka Trustee Loss Mitigation, aka Haven Legal Services, DM-18-0114** – The division issued a cease and desist order and assessed \$20,000 against Empire Legal Services for unlawfully soliciting and accepting money from an Oregon resident in exchange for promising to obtain a loan modification on her behalf. The division also found that Empire Legal Services charged fees in excess of those permitted by law, sent solicitation materials that misrepresented the nature of the services it would perform, and failed to file the required bond with the division.

- **Graduate Doc Prep LLC, DM-19-0009** – The division issued a cease and desist order and assessed \$10,000 against Graduate Doc Prep LLC for performing a debt management service for an Oregon resident without registering with the division, and for charging initial fees in excess of the \$50 fee allowed by Oregon law. Graduate Doc Prep is a document preparation company that offers to assist student borrowers in applying to the various repayment, consolidation, and forgiveness programs of the U.S. Department of Education.
- **Consumer Advocacy Center Inc., DM-19-0014** - The division issued a cease and desist order against Consumer Advocacy Center Inc., doing business as Premier Student Loan Center, for performing debt management service for an Oregon resident without registering with the division, and for charging initial fees in excess of the \$50 fee allowed by Oregon law. Consumer Advocacy Center is a document preparation company that offers to assist student borrowers in applying to the various repayment, consolidation, and forgiveness programs of the U.S. Department of Education. The center has filed for Chapter 11 bankruptcy.

## Pawn broker

- **Premier Pawn & Gun Inc., PB-19-0015** – The division revoked the pawnbroker license of Premier Pawn & Gun Inc. and assessed \$2,500 against the company for failing to file its 2018 annual report with the division, and failing to maintain its business registration through the Oregon Secretary of State Office.
- **Accurate Precious Metals Refineries, PB-17-0158** – The division issued a cease and desist order and assessed \$2,000 against Oregon pawnbroker Accurate Precious Metals Refineries, Inc. for failing to deliver records of pawned items to local law enforcement for a period of three months in 2017. The division issued a conditional pawnbroker license to Accurate, which requires it to file quarterly reports with the division until May 31, 2020.