

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL

In the Matter of:)	
)	ASSURANCE OF DISCONTINUANCE
FREMONT LAW GROUP, APC)	(5 M.R.S.A. § 210)
AND WILLIAM R. MITCHELL)	

This Assurance of Discontinuance (“Assurance”) is entered into by the Attorney General of the State of Maine (“Attorney General”), acting pursuant to 5 M.R.S.A. § 210 of the Unfair Trade Practices Act (5 M.R.S.A. §§ 205-A to 214), and Fremont Law Group, APC and William R. Mitchell (collectively, “Respondents”).

BACKGROUND

1. Fremont Law Group, APC (“Fremont Law”) is a California law firm and professional corporation whose principal business office address is 101 Pacifica, Suite 155, Irvine, California 92618. It provides legal services nationwide to consumers, including debt settlement, bankruptcy, collection defense, and violations of the Fair Debt Collection Practices Act and Fair Credit Reporting Act.

2. William R. Mitchell (“Mitchell”) is an attorney licensed to practice law in the State of California. He is the founder, sole director, and chief executive and financial officer of Fremont Law. He has formulated, directed, controlled, had the authority to control, or participated in, and had knowledge of, the acts and practices of Fremont Law. His principal business address is

William R. Mitchell, Inc., 101 Pacifica, Suite 155, Irvine, California 92618.

Mitchell has not been admitted to the Maine bar.

THE ATTORNEY GENERAL'S ALLEGATIONS

3. From 2015 to the present, Respondents have provided legal services, including debt management services, to Maine consumers through Fremont Law.

4. Consumers who enrolled in Fremont Law's "debt resolution program" (the "program") were promised that Respondents would negotiate with creditors to significantly reduce and settle their credit card and other unsecured debts.

5. Respondents hired a third-party vendor to solicit Maine consumers via direct mail to enroll in its program.

6. Respondents charged Maine consumers who enrolled in the program a \$700 "retainer fee" which was typically paid in advance of any debt settlement; a "service fee" of 15% of the total amount of the consumer's enrolled debts; and a \$60 per month "legal administrative fee" paid each month that the consumer was enrolled in the debt resolution program.

8. Respondents paid certain individuals in Maine to make sales presentations to Maine consumers about the program, and to obtain consumers' signatures on documents.

9. These individuals were independent contractors who were paid by Defendants only for the purposes stated in Paragraph 8.

10. None of these individuals was an attorney licensed to practice in Maine.

11. Fremont Law is not registered with the Maine Superintendent of Consumer Credit Protection (the “Superintendent”) as a debt management service provider.

12. Respondents claimed that Fremont Law’s legal services are provided by the law firm and “by and through its national network of associated attorneys,” which implied that an attorney licensed in Maine would provide legal services to Maine consumers.

13. However, except for one instance in which a Maine attorney was hired to assist a client, Respondents admit that they have used no attorney licensed in Maine to provide any legal services rendered by Fremont Law to its other Maine clients.

14. Respondents have not enrolled a Maine consumer in the program since February 3, 2017.

THE ATTORNEY GENERAL’S POSITION

15. The Attorney General contends that Fremont Law provides, and has provided, debt management services to Maine consumers through its debt resolution program, pursuant to § 6172(2)(B) and (D) of the Maine Debt Management Services Act,¹ by:

- B. Arranging or assisting a consumer to arrange for the distribution of one or more payments to or among one or

¹ The Maine Debt Management Services Act can be found at 32 M.R.S.A. §§ 6171- 6183.

more creditors of the consumer in full or partial payment of the consumer's obligation; or

- D. Acting or offering to act as an intermediary between a consumer and one or more creditors of the consumer for the purpose of adjusting, settling, discharging, reaching a compromise on or otherwise altering the terms of payment of the consumer's obligation.

15. The Attorney General contends that, pursuant to 32 M.R.S.A. § 6172(3), Fremont Law is a debt management service provider that has failed to register with the Superintendent, in violation of 32 M.R.S.A. § 6173(2) and 5 M.R.S.A. § 207.

16. The Attorney General contends that Fremont Law charged Maine consumers fees that were more than those permitted to be charged by a debt management service provider, pursuant to 32 M.R.S.A. § 6174-A.

17. The Attorney General contends that Respondents have offered to provide, and have provided, services by and through Fremont Law to Maine consumers that constitute the practice of law.

18. The Attorney General contends that Respondents have failed to provide all Maine consumers who are, or were, clients of Fremont Law with an attorney licensed to practice in Maine to render legal services to them, in violation of 4 M.R.S.A. § 807 and 5 M.R.S.A. § 207.

19. The Attorney General contends that the exception to the statutory requirements applicable to a debt management services provider² does not apply to Fremont Law because it has no Maine attorney who has been, or was, actively involved with all its Maine debt management clients.

20. The Attorney General contends that Respondents have made false or misleading claims about its authority to practice law in the State of Maine, in violation of 5 M.R.S.A. § 207.

RESPONDENTS' POSITION

21. Respondents deny that they have violated any Maine laws.

22. Respondents represent they have enrolled no Maine consumer in Fremont Law's debt resolution program since February 2, 2017; and that they will not enroll another Maine consumer in the program.

AGREEMENT

23. To resolve the concerns of the Attorney General, Respondents agree to the following acts or practices:

A. Fremont Law shall immediately retain an attorney admitted to the Maine bar who is experienced in the practice area of debt collection. It shall notify each active Maine client that it has retained such an attorney to assist the client with questions relating to debt collection; and the attorney's name and contact information shall be included in the notice. The attorney shall review the file for each active

² Title 32 M.R.S.A. § 6172(3)(C) exempts from the statutory requirements applicable to debt management service providers "a person admitted to the practice of law in this State as of the effective date of this chapter, except to the extent that debt management services constitute the

Maine consumer, and shall contact any client if he or she has any questions or concerns.

B. Fremont Law shall facilitate and not impede direct communication between its clients and its Maine attorney.

C. Fremont Law shall continue to provide services under their existing contracts to its active Maine clients until their cases are terminated or closed. Fremont Law may charge the fees pursuant to those contracts as of April 1, 2019.

D. Respondents have provided the Attorney General with the amount of fees, by category, that Fremont Law has charged each Maine consumer who was, or is, enrolled in its debt resolution program. Upon execution of this Assurance, Respondents shall pay the Attorney General the sum of \$56,431 by bank check, which the Attorney General shall distribute as restitution in the amount indicated to each consumer on the attached Exhibit A.

GENERAL PROVISIONS

24. Nothing contained herein may be construed as an admission of any violation of law, or of any liability or wrongdoing by Respondents. No part of this Assurance shall constitute evidence against Respondents, their employees, agents, or officers in any action brought by any person for any violation of law, except in an action brought by the Attorney General for violation of any of the terms of this Assurance by Respondents. Respondents'

exclusive activity of that attorney."

employees, agents, and officers shall be included in this Assurance only to the extent that they continue to comply with all applicable laws, and there has been no finding of liability against them.

25. This Assurance constitutes a complete settlement and release on behalf of the State of Maine against Respondents and their employees, agents, and officers with respect to all claims, causes of action, penalties and costs that were or could have been asserted prior to the effective date of this Assurance, and relating to, or based upon, the subject matter of this Assurance. Notwithstanding the foregoing, the Attorney General may institute an action or proceeding for violation of any provision of this Assurance, or for Respondents' future conduct.

26. This Assurance does not constitute an approval by the Attorney General of any of Respondents' business practices, and Respondents shall make no representation to the contrary.

27. Pursuant to 5 M.R.S.A. § 210, any material violation of this Assurance shall constitute *prima facie* evidence of an act or practice declared to be unlawful by 5 M.R.S.A. § 207.

28. This Assurance constitutes the entire agreement of the parties hereto and supersedes all prior agreements or understandings, whether written or oral, between the parties and/or their respective counsel concerning the subject matter addressed herein. Any amendment or modification of this Assurance must be in writing and signed by duly authorized representatives of all the parties hereto.

29. This Assurance shall be binding upon, and inure to the benefit of, the parties and their successors-in-interest.

30. Jurisdiction is retained by the Kennebec County Superior Court in the event that this matter is reopened by the Attorney General for further proceedings in the public interest.

31. Each of the undersigned represents and warrants that he or she is fully authorized by the party he or she represents to enter into this Assurance and to legally bind such party to the terms and conditions of this Assurance.

EFFECTIVE DATE

32. The effective date of this Assurance is the date that it is filed in the Kennebec County Superior Court.

IN WITNESS WHEREOF, we, the undersigned, have the authority to consent and sign on behalf of the parties in this matter, and hereby consent to the form and contents of this Assurance, and to its entry.

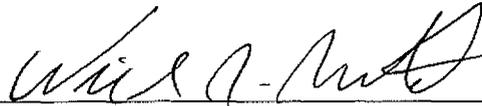
AARON M. FREY
ATTORNEY GENERAL

Date: *Aug. 28, 2019*

Carolyn A. Silsby

Linda J. Conti, Bar No. 3638
Carolyn A. Silsby, Bar No. 3038
Assistant Attorneys General
Consumer Protection Division
Office of the Attorney General
6 State House Station
Augusta, ME 04333-0006
(207) 626-8800

Date:



William R. Mitchell
Individually and as President of Fremont Law
Group, APC

RESTITUTION TO FREMONT LAW CONSUMERS

1.	Karen Banks	\$ 2,654
2.	Paul & Suzanne Dalrymple	\$ 3,707
3.	Patrick & Kathleen Lewis	\$ 3,136
4.	Elaine Lovett	\$ 3,763
5.	Robert Mahn	\$ 4,359
6.	Kelly & Ricky Pitre	\$ 2,843
7.	Fe Schnorr	\$ 2,039
8.	Rachel & Ricky Theriault	\$ 3,314
9.	Biljana & Zoran Mandic	\$ 2,903
10.	Joanne Pomakis	\$ 2,464
11.	Doreen & Richard Carpenter	\$ 3,509
12.	Patrick & Tammy Channell	\$ 3,396
13.	Monty Cockerline	\$ 3,695
14.	Jeffrey & Jill Gunn	\$ 3,517
15.	Paul LaBonte	\$ 3,117
16.	Jay McNamara	\$ 2,868
17.	Sally Morgan	\$ 2,727
18.	Tracey Stuart	\$ 689
19.	Marvin Neilson	\$ 1,515
20.	Paul Searles	\$ 216
	Total	\$ 56,431

