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

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**  
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

**I-10-0019**

9 **MADISON FINANCIAL GROUP,**

**FINAL ORDER TO CEASE AND  
DESIST AND ASSESSING CIVIL  
PENALTY ENTERED BY  
DEFAULT**

10 Respondent.

11 On May 3, 2010, the Director of the Department of Consumer and Business Services for  
12 the State of Oregon (hereafter “the Director”), acting by and pursuant to the authority of the  
13 Oregon Consumer Finance Act, Oregon Revised Statutes (“ORS”) chapter 725, and other  
14 applicable authority, issued Administrative Order No. I-10-0019, ORDER TO CEASE AND  
15 DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT  
16 TO A HEARING (“the Proposed Order”), dated April 29, 2010, against Respondent Madison  
17 Financial Group.

18 On May 11, 2010, Respondent Madison Financial Group was duly served with a true  
19 copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. 7007-  
20 3020-0000-3309-4868, and addressed to Respondent Madison Financial Group at the following  
21 last known address: 19 West 87<sup>th</sup> Street, New York, NY 10024.

22 On May 11, 2010, Respondent Madison Financial Group was duly served with a true  
23 copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. 7007-  
24 3020-0000-3309-4851, and addressed to Respondent Madison Financial Group at the following  
25 address: 590 Madison Avenue, New York, NY 10022.

26 Respondent Madison Financial Group has not made a written request for a contested case  
hearing in this matter and time to do so has now expired.



1 NOW THEREFORE, after consideration of the file in this matter maintained by the  
2 Division of Finance and Corporate Securities, including materials that Respondent may have  
3 submitted, the Director hereby issues the following Findings of Fact, Conclusions of Law, and  
4 Final Order.

5 **I.**

6 **FINDINGS OF FACT**

7 The Director FINDS that:

8 1. Madison Financial Group (hereinafter “Madison Financial”) claims to offer all types  
9 of loans, with low interest rates, easy qualification and fast closings in exchange for a fee.  
10 Consumers are instructed to send money to an individual via Western Union; consumers report  
11 that after sending the required monies they do not receive the promised loan. Madison Financial  
12 previously used the website themadisonfinancialgroup.com. Their website listed addresses of:  
13 590 Madison Avenue, New York, New York 10022 and 19 West 87th Street, New York, New  
14 York 10024. In some of its Internet advertising, Madison Financial claimed that its founder and  
15 chief operations officer was a Harold Clark. Madison Financial has reportedly used the following  
16 telephone numbers for its business operations: (888) 242-0270, (866) 493-1785 and (905) 820-  
17 1191.

18 2. Madison Financial claims, on its website, to hold mortgage licenses in all 50 states  
19 and the District of Columbia and title lending licenses in 33 states. Madison Financial also  
20 claims to hold an “Oregon Consumer Finance Act License.” We understand that Madison  
21 Financial has claimed to hold a number of state consumer lending licenses when, in fact, it does  
22 not hold such licenses. For example in January 2010, the State of Washington Department of  
23 Financial Institutions issued a consumer alert notifying the public that Madison Financial  
24 claimed it held Washington State Consumer Loan License number 520-CL-17388. This license  
25 actually belongs to E-Loan, Inc., which is a company unrelated to the Madison Financial Group.  
26 E-Loan has issued demand letters requiring the Madison Financial Group to cease using E-





1 Loan's license numbers.

2 3. Madison Financial is not registered with the Oregon Secretary of State to do business  
3 in Oregon.

4 4. Madison Financial is not licensed by the Director to be in the business of consumer  
5 lending or mortgage lending in Oregon. Madison Financial does not hold an Oregon license to  
6 offer or make payday loans or auto title loans.

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

9 6. In April 2007, MR negotiated what he thought was a consumer loan of \$30,000 with  
10 Madison Financial via the Internet through [www.themadisonfinancialgroup.com](http://www.themadisonfinancialgroup.com). MR was  
11 informed through emails and other documents received from Madison Financial that he would  
12 receive the loan for a term of five years at an annual interest rate ("APR") of 9.25 percent. MR  
13 negotiated the loan with Madison Financial while being physically present in Oregon. The loan  
14 was obtained for MR's personal use.

15 7. After completing and submitting the application documentation, MR was told that he  
16 was required to pay a refundable fee in order to obtain the loan. On or about April 27, 2007,  
17 acting on directions he received from Madison Financial, MR wired \$1,252.80—described as the  
18 "security payment amount"—to an individual in Comstock Park, Michigan. This person was  
19 identified in the Madison Financial loan documents as a "third-party lender" on the transaction.  
20 MR never received the promised loan and was unable to contact anyone at the company to obtain  
21 the return of the "security payment amount" fee.

## 22 II.

### 23 CONCLUSIONS OF LAW

24 The Director CONCLUDES that:

25 8. MR was an Oregon resident and physically present in Oregon at all times relevant to  
26 the loan transaction with Madison Financial.





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Order to Cease and Desist

16. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Madison Financial to CEASE AND DESIST from violating any provision of the Oregon Consumer Finance Act, ORS chapter 725, OAR 441-730-0000 through 441-730-0320, or any rule, order, or policy issued by the Director under that chapter.

Order Assessing Civil Penalty

17. Pursuant to the authority of ORS 725.910(1), the Director may assess a CIVIL PENALTY in an amount determined by the Director of not more than \$2,500 per violation against any person who violates any provision of the Oregon Consumer Finance Act, ORS chapter 725.

18. Pursuant to ORS 725.910(1), the Director hereby ORDERS Respondent Madison Financial Group to pay a CIVIL PENALTY in the amount of \$5,000 (five thousand dollars) for the following violations:

A. A CIVIL PENALTY of \$2,500 (two thousand five hundred dollars) for violation of ORS 725.045(1) by conducting a business in which it made a consumer finance loan to an Oregon resident without first obtaining a license under ORS chapter 725.

B. A CIVIL PENALTY of 2,500 (two thousand five hundred dollars) in violation of ORS 725.060 for claiming in its correspondence and documents to Oregon consumer MR that Madison Financial Group would provide him with a five-year loan of \$30,000 at 9.25 percent APR, a statement or representation that was false, misleading or deceptive.

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

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IT IS SO ORDERED.

Dated this 3<sup>rd</sup> day of August, 2010 at Salem, Oregon,

NUNC PRO TUNC April 29, 2010.

CORY STREISINGER, Director  
Department of Consumer and Business Services

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

**NOTICE OF RIGHT TO APPEAL**

You are entitled to seek judicial review of this order. Judicial review may be obtained by filing a petition for review with the Oregon Court of Appeals within sixty (60) days from the service of this final order. Judicial review is pursuant to the provisions of ORS 183.482.

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

