

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

In the Matter of:

Case No. PD-12-0086

Anthony J. Raffo, dba AALM Consulting
Services, Ltd. and MultiLoanSource,

Respondent.

FINAL ORDER TO CEASE AND DESIST,
FINAL ORDER SUSPENDING
COLLECTION ACTIVITIES, AND FINAL
ORDER ASSESSING CIVIL PENALTY
ENTERED BY DEFAULT

On September 6, 2012, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of the Oregon statutes regulating payday lending, ORS 725A.010 to 725A.092 and 725A.990, issued Administrative Order No. PD-12-0086 ORDER TO CEASE AND DESIST, ORDER SUSPENDING COLLECTION ACTIVITIES, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (“the Notice Order”) against Anthony J. Raffo (“RAFFO”), dba AALM Consulting Services, Ltd. and dba MultiLoanSource.

On September 10, 2012, RAFFO was duly served with a true copy of the Notice Order by United States Mail and Certified Mail, postage prepaid, addressed to Anthony J. Raffo, AALM Consulting Services, Ltd., MultiLoanSource, 160 Metro Drive, Spartanburg, SC 29303. (Certified Mail Receipt No. 7011 2000 0000 7333 0560.)

RAFFO has not filed a timely written request for a contested case hearing in this matter and time to do so has expired.

NOW THEREFORE, after consideration of the file of the Division of Finance and Corporate Securities and accompanying exhibits, including any submitted by RAFFO, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final

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



1 Order.

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FINDINGS OF FACT

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The Director FINDS that:

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1. Anthony J. Raffo is believed to presently be a resident of South Carolina. He has acted as the principal for a number of businesses including AALM Consulting Services, Ltd. (“AALM”) and MultiLoanSource. These businesses are believed to have formerly been based in Texas with offices located at 2500 Wilcrest Drive, Suite 201, Houston, Texas 77042, and 790 West Sam Houston Parkway North, Suite 202, Houston, Texas 77024, but are now believed to be located at 160 Metro Drive, Spartanburg, South Carolina 29303.

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2. Upon information and belief, RAFFO is the principal and chief operating officer of AALM, which does business under a number of assumed business names and corporate names including MultiLoanSource, and operates a website under the name MultiLoanSource.com. Neither AALM nor MultiLoanSource are registered as foreign companies with the Oregon Secretary of State’s office to conduct business in Oregon.

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3. At all times material to this matter, the individual identified hereinafter as “KJB” was an Oregon resident.

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4. At all times material to this matter, the individual identified hereinafter as “AED” was an Oregon resident.

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5. RAFFO, through AALM and other entities, is in the business of making loans to individuals primarily for personal, family or household purposes for periods of less than 60 days. The loans are not made as purchase money loans and are usually evidenced by a check or electronic repayment agreement provided by or on behalf of the borrower. These loans are commonly called “payday loans”.

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6. On or about March 1, 2010, KJB negotiated a \$300 short-term loan with





1 RAFFO through MultiLoanSource.com via the Internet while KJB was physically present
2 in Oregon. KJB intended the loan primarily for personal, family or household purposes.
3 KJB was to incur finance charges of \$120 every two weeks for the loan. The loan
4 principal and the finance charge were due 15 days from the date of the loan. The effective
5 APR for the loan to KJB was over 950 percent.

6 7. On or about January 23, 2012, AED was shopping for a personal loan on the
7 Internet and completed what he thought was an application for another loan company, but
8 his personal information was sent by a third party to RAFFO through MultiLoanSource,
9 which then deposited \$550 into AED's Oregon bank account. AED attempted to contact
10 MultiLoanSource to explain that he had not applied for or accepted a loan from the
11 company, but was informed that MultiLoanSource would not accept the principal without
12 the payment of at least \$350 in fees.

13 8. AED had intended the loan primarily for personal, family or household
14 purposes. The loan principal and the finance charge were due 15 days from the date of
15 the loan. The effective APR charged by RAFFO for the money provided to AED was
16 over 800 percent.

17 9. At all times relevant to this matter, neither RAFFO, AALM nor
18 MultiLoanSource were licensed as payday lenders in Oregon with the Director.

20 CONCLUSIONS OF LAW

21 The Director CONCLUDES that:

22 10. The short term consumer loans made by RAFFO through AALM and/or
23 MultiLoanSource to Oregon residents KJB and AED are payday loans as defined in ORS
24 725A.010(5).

25 11. The payday loans that RAFFO made to Oregon residents KJB and AED are
26 subject to ORS chapter 725A because RAFFO offered to and made loans through AALM

1 and/or MultiLoanSource for personal, family or household purposes of less than \$50,000
2 to consumers who resided in Oregon and the consumers communicated with RAFFO via
3 the Internet while being physically present in Oregon.

4 12. RAFFO violated ORS 725A.020 by conducting a business in which he made
5 payday loans as defined by ORS 725A.010(5) to Oregon residents without first obtaining
6 a license under ORS chapter 725A.

7 13. RAFFO violated ORS 725A.064(1) by making or renewing payday loans at a
8 rate of interest that exceeds 36 percent per annum, excluding a one-time origination fee
9 for a new loan.

10 14. RAFFO violated ORS 725A.064(3) by making or renewing payday loans for a
11 term of less than 31 days.

12 ORDERS

13 Now, therefore, the Director issues the following ORDERS:

14 *Final Order to Cease and Desist*

15 15. Pursuant to the authority of ORS 725A.082, the Director hereby ORDERS
16 RAFFO, and all entities owned or controlled by RAFFO and their successors and
17 assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes
18 regulating payday lending, ORS 725A.010 to 725A.092 and 725A.990, OAR 441-730-
19 0000 through 441-730-0320, or any rule, order, or policy issued by the Division.

20 *Final Order Suspending Collection Activities*

21 16. Pursuant to the authority of ORS 725A.020, the Director ORDERS RAFFO,
22 AALM, MultiLoanSource and all entities owned or controlled by RAFFO and their
23 successors and assignees, to suspend all collection activities for the principal of, interest
24 on, or any fees or charges for loans made to Oregon consumers unless within 90 days of
25 the date of this Order, RAFFO obtains a license under ORS 725A.022 and 725A.024.

26 17. If RAFFO is approved by the Director to act as a payday lender in Oregon



1 pursuant to ORS 725A.022 and 725A.024, but more than 90 days from the date of this
2 Order, RAFFO may collect the principal, interest and fees allowed by ORS chapter 725A,
3 but only for loans made after the approval of RAFFO's license as a payday lender in
4 Oregon.

5 *Final Order Assessing Civil Penalty*

6 18. Pursuant to the authority of ORS 725A.990, the Director may assess against
7 any person who violates any provision of the Oregon statutes regulating payday lending,
8 ORS 725A.010 to 725A.092 and 725A.990, or any rule or final order of the Director
9 under that chapter, a civil penalty in an amount determined by the Director of not more
10 than \$2,500 per violation. Pursuant to this provision, the Director hereby assesses
11 Respondent RAFFO a CIVIL PENALTY in the amount of \$15,000 for the following
12 violations:

13 A. RAFFO is assessed a CIVIL PENALTY of \$5,000 for two violations of ORS
14 725A.020 by conducting a business in which he made payday loans as defined by ORS
15 725A.010(5) to an Oregon resident without first obtaining a license under ORS chapter
16 725A.

17 B. RAFFO is assessed a CIVIL PENALTY of \$5,000 for two violations of ORS
18 725A.064(1) by making or renewing two payday loans at a rate of interest that exceeds
19 36 percent per annum, excluding a one-time origination fee for a new loan.

20 C. RAFFO is assessed a CIVIL PENALTY of \$5,000 for two violations of ORS
21 725A.064(3) by making or renewing two payday loans for terms of less than 31 days.

22 19. The entry of this Order in no way limits further remedies which may be

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1 available to the Director under Oregon law.

2 IT IS SO ORDERED.

3 Dated: 5th day of November, 2012, NUNC PRO TUNC
4 September 6, 2012.

5 PATRICK M. ALLEN, Director
6 Department of Consumer and Business Services

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

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11 NOTICE OF RIGHT TO JUDICIAL REVIEW

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

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