

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

In the Matter of:

Case No. 13-0012

United Consumer Financial Services, Inc.,
dba EZpaydaycash.com,

Respondent.

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

On February 7, 2013, 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. 13-0012, ORDER TO CEASE AND DESIST, ORDER SUSPENDING COLLECTION ACTIVITIES, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the “Proposed Order”) against United Consumer Financial Services, Inc., dba EZpaydaycash.com (“UCFS”).

On February 8, 2013, UCFS was duly served with true copies of the Proposed Order by certified United States Mail, postage prepaid at the following addresses: (1) 1559 B – Sloat Blvd, Ste. 161, San Francisco, California 94132 (Article No. 7011 2000 0000 7333 1710); and (2) 4760 S. Highland Dr. #654, Salt Lake City, Utah 84117 (Article No. 7011 2000 0000 7333 1727). Additionally, on February 8, 2012, true copies of the Proposed Order were also sent by regular mail to UCFS’s addresses noted above.

According to a return receipt received by the Department of Consumer and Business Services, UCFS received the Proposed Order on February 11, 2013 at the San Francisco, California address noted above.

UCFS has not made a written request for an administrative hearing in this matter

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 and time to do so has now expired.

2 NOW THEREFORE, after consideration of the file in this matter maintained by
3 the Oregon Department of Consumer and Business Services, including any materials that
4 UCFS may have submitted, the Director hereby issues the following Findings of Fact,
5 Conclusions of Law, and Final Orders.

6 I.

7 FINDINGS OF FACT

8 The Director FINDS that:

9 1. UCFS is believed to be a Delaware corporation with its principal office
10 located at 4760 S Highland Drive, #654, Salt Lake City, Utah 84117. UCFS is not
11 registered with the Oregon Secretary of State's office to conduct business in Oregon.

12 2. UCFS is in the business of making loans to individuals primarily for personal,
13 family or household purposes for periods of less than 60 days. The loans are not made as
14 purchase money loans and are usually evidenced by a check or electronic repayment
15 agreement provided by or on behalf of the borrower. These loans are commonly called
16 "payday loans".

17 3. UCFS conducts its payday loan business via the Internet through its website
18 www.ezpaydaycash.com.

19 4. At all times material to this matter, UCFS was not licensed in Oregon with the
20 Director as a payday lender.

21 5. At all times material to this matter, the individuals identified hereinafter as
22 "DG" and "GD" were Oregon residents.

23 Oregon Resident DG

24 6. On or about December 20, 2011 DG negotiated a \$500 payday loan with
25 UCFS via the Internet while DG was physically present in Oregon. DG intended the loan
26 primarily for personal, family or household purposes. The term of the loan was for less



1 than 31 days. The interest rate on the loan exceeded 36 percent per annum.

2 7. On or about February 24, 2012 DG negotiated a \$600 payday loan with UCFS
3 via the Internet while DG was physically present in Oregon. DG intended the loan
4 primarily for personal, family or household purposes. The term of the loan was for less
5 than 31 days. The interest rate on the loan exceeded 36 percent per annum.

6 8. On or about May 31, 2012 DG negotiated a \$700 payday loan with UCFS via
7 the Internet while DG was physically present in Oregon. DG intended the loan primarily
8 for personal, family or household purposes. The term of the loan was for less than 31
9 days. The interest rate on the loan exceeded 36 percent per annum.

10 Oregon Resident GD

11 9. On or about August 25, 2011, GD received a \$250 payday loan from UCFS. A
12 family member of GD applied for the payday loan via the Internet while being physically
13 present in Oregon. The loan was intended primarily for personal, family or household
14 purposes. The term of the loan was for less than 31 days. The interest rate on the loan
15 exceeded 36 percent per annum.

16 II.

17 CONCLUSIONS OF LAW

18 The Director CONCLUDES that:

19 10. The short term consumer loans made by UCFS to Oregon residents DG and
20 GD are payday loans as defined in ORS 725A.010(5).

21 11. The payday loans that UCFS made to Oregon residents DG and GD are
22 subject to ORS chapter 725A because UCFS offered to and made loans for personal,
23 family or household purposes of less than \$50,000 to consumers who resided in Oregon
24 and the terms of the loan were agreed to via the Internet while being physically present in
25 Oregon.

26 12. UCFS violated ORS 725A.020 by conducting a business in which it made

1 payday loans as defined by ORS 725A.010(5) to an Oregon resident without first
2 obtaining a license under ORS chapter 725A.

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

6 14. UCFS violated ORS 725A.064(3) by making or renewing a payday loan for a
7 term of less than 31 days.

8 III.

9 FINAL ORDERS

10 Now, therefore, the Director issues the following FINAL ORDERS:

11 Final Order to Cease and Desist

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

17 Final Order Suspending Collection Activities

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

23 17. If UCFS is approved by the Director to act as a payday lender in Oregon
24 pursuant to ORS 725A.022 and 725A.024, but more than 90 days from the date of this
25 Order, UCFS may collect the principal, interest and fees allowed by ORS chapter 725A,
26 but only for loans made after the approval of UCFS's license as a payday lender in





1 Oregon.

2 Final Order Assessing Civil Penalty

3 18. Pursuant to the authority of ORS 725A.990, the Director may assess against
4 any person who violates any provision of the Oregon statutes regulating payday lending,
5 ORS 725A.010 to 725A.092 and 725A.990, or any rule or final order of the Director
6 under that chapter, a civil penalty in an amount determined by the Director of not more
7 than \$2,500 per violation. Pursuant to this provision, the Director hereby assesses UCFS
8 a CIVIL PENALTY in the amount of \$30,000 for the following violations:

9 A. A CIVIL PENALTY of \$10,000 for four violations of ORS 725A.020 by
10 conducting a business in which UCFS made payday loans as defined by ORS
11 725A.010(5) to an Oregon resident without first obtaining a license under ORS chapter
12 725A.

13 B. A CIVIL PENALTY of \$10,000 for four violations of ORS 725A.064(1) by
14 making or renewing four payday loans at a rate of interest that exceeds 36 percent per
15 annum, excluding a one-time origination fee for a new loan.

16 C. A CIVIL PENALTY of \$10,000 for four violations of ORS 725A.064(3) by
17 making or renewing four payday loans for terms of less than 31 days.

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

20 IT IS SO ORDERED.

21 Dated this 18th day of March, 2013 at Salem,
22 Oregon, NUNC PRO TUNC February 8, 2013.

23 PATRICK M. ALLEN, Director
24 Department of Consumer and Business Services

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

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NOTICE OF RIGHT TO APPEAL

UCFS is 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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