

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. MT-21-0034

DEBT PAY GATEWAY, INC., a California
Domestic Business Corporation,

Respondent.

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) Chapter 717 and Oregon Administrative Rules (“OAR”) Chapter 441, Division 745 (collectively, “the Oregon Money Transmitters Law”), conducted an investigation into the activities of Debt Pay Gateway, Inc. (“Respondent”) and determined that Respondent engaged in activities constituting violations of the Oregon Money Transmitters Law.

Respondent, without admitting or denying the Director’s findings of fact or conclusions of law, wishes to resolve and settle this matter with the Director in order to avoid the costs and uncertainty of litigation.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a California domestic business corporation whose principal address is 1900 E Golf Rd., Suite 550, Schaumburg, IL 60173.
2. From in or around 2018 through 2020, Respondent maintained a website which included the following statements:

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





1 A. “Our goal is to provide accurate, compliant, and safe handling of client
2 funds while delivering exceptional customer service and timely transmission of
3 funds”; and

4 B. [Respondent] provides ACH payment processing and dedicated account
5 services to customers and businesses who require collection and disbursement of
6 funds to a third party.”¹

7 3. At all relevant times, Respondent maintained arrangements with seven entities
8 that contracted to modify the terms of third-party consumer debt obligations (“Debt
9 Management Contracts”).² Under the arrangements, Respondent facilitated the
10 transmission of the entities’ clients’ funds in accordance with the Debt Management
11 Contracts.

12 4. From January 1, 2018 through August 31, 2021, Respondent contracted with
13 420 Oregon consumers (“the Oregon Consumers”) to perform services which included:

14 A. Collecting funds via ACH from the consumer’s designated financial
15 institutions;

16 B. Depositing such funds in custodial accounts;

17 C. Disbursing funds from the custodial accounts to the consumer’s
18 creditors;

19 D. Disbursing fees to the consumer’s “designated company;”³

20 E. Acting as a third party escrow between the consumer and designated
21 company; and

22 F. Executing the consumer’s payment instructions in a commercially
23 reasonable manner.

24
25 ¹ Respondent has since deleted “ACH payment processing” from this statement. See
www.debtpaygateway.com/who-we-are.

26 ² None of the entities were registered to perform debt management services in Oregon.

³ This was the entity with whom the consumer maintained a Debt Management Contract.

1 5. Respondent performed the foregoing services pursuant to their contracts with
2 the Oregon Consumers (“the Consumer Contracts”).⁴

3 6. Respondent earned \$117,843.43 in fees from the Oregon Consumers for
4 performing the services in the Consumer Contracts.

5 7. At no time has Respondent been licensed to conduct a money transmission
6 business in Oregon.⁵

7 CONCLUSIONS OF LAW

8 The Director CONCLUDES that:

9 8. By entering into the Consumer Contracts, and performing the services
10 described therein, Respondent engaged in the business of “money transmission” under
11 ORS 717.200(11).

12 9. By engaging in a money transmission business without an Oregon money
13 transmitter’s license, Respondent violated ORS 717.205(1) in 420 instances.

14 10. Because the Director determined that Respondent, by engaging in the acts and
15 practices described in paragraphs 3 through 7 of this Order, engaged in acts or practices
16 constituting violations of ORS 717.205(1), the Director may order Respondent to cease
17 and desist from such unlawful acts and practices pursuant to ORS 717.290(1)(a).

18 11. Under ORS 717.900(1), the Director may impose a civil penalty of up to \$1,000
19 *per violation* upon a person who violates a provision of the Oregon Money Transmitters
20 Law.

21 ORDERS

22 Now therefore, the Director issues the following Orders:

23 12. As authorized by ORS 717.290(1)(a), the Director hereby ORDERS
24 Respondent to CEASE AND DESIST from engaging in the acts and practices described in

25 ⁴ Respondent entered into a separate agreement with a bank whereby the bank assisted in the performance of
26 some of these services.

⁵ Respondent is licensed to conduct a money transmission business in Pennsylvania.



1 paragraphs 3 through 7 of this Order.

2 13. Based upon the foregoing and as authorized by ORS 717.900(1), the Director
3 hereby ORDERS that Respondent be subject to a CIVIL PENALTY of \$75,000 for
4 violating ORS 717.205(1) in 420 instances.

5 14. The Director hereby suspends payment of \$70,000 of the CIVIL PENALTY for
6 a period of three years, provided Respondent:

7 A. Does not violate the Oregon Money Transmitters Law within the three-
8 year time period;

9 B. Fully cooperates with any and all investigations and/or enforcement
10 actions the Director initiates against the entities that entered into the Debt
11 Management Contracts;

12 C. Pays \$117,843.43 to the Oregon Consumers within thirty (30) days from
13 the effective date of this Order and provides the Division with documentation of
14 such payments within that timeframe. The transactions contemplated by this
15 Paragraph will not be considered a violation of the Oregon Money Transmitters
16 Law;

17 D. If Respondent does not maintain a current account with any of the
18 Oregon Consumers and/or does not have current contact information for any such
19 consumers, Respondent shall use all reasonable efforts and means to locate and
20 notify the Oregon Consumer of the impending refund and to arrange to transmit the
21 refund to the Oregon Consumer(s) through electronic transfer or by issuance of a
22 refund check. If needed, Respondent shall be granted an additional sixty (60) days
23 from the effective date of this Order to exhaust all efforts to locate the Oregon
24 Consumers and issue refunds;

25 E. If at the conclusion of the additional sixty (60) day period, and despite
26 the use of all reasonable efforts, Respondent still cannot make successful payment





1 to any Oregon Consumer(s), Respondent shall deliver any remaining refunds for
2 such Oregon Consumer(s) to the Oregon State Treasury (“OST”) to be managed
3 and distributed by OST pursuant to Oregon’s Unclaimed Property Program.
4 Respondent shall provide OST with all unclaimed funds, along with each applicable
5 Oregon Consumer’s contact information and a copy of this Order, within one
6 hundred (100) days from the effective date of this Order; and

7 F. Respondent will act diligently and in good faith with respect to seeking
8 to identify additional Oregon Consumers. If, within sixty (60) days of this Order,
9 Respondent identifies additional Oregon Consumers not previously disclosed
10 and/or additional fees paid by any Oregon Consumers, Respondent will notify the
11 Division and refund such fees in accordance with the terms of this Order.

12 15. Respondent will provide the Division with documentation of the specific
13 restitution sums due to each Oregon Consumer under separate cover.

14 16. The suspended civil penalty (\$70,000) will be waived three years from the date
15 this Order is finalized, provided Respondent has complied with the foregoing Order terms.
16 The Director reserves the right to immediately assess and collect the suspended civil
17 penalty upon a determination that Respondent has violated any term of this Order.

18 17. The non-suspended civil penalty (\$5,000) is due and payable within ten (10)
19 days from the effective date of this Order.

20 18. This Order is binding upon Respondent’s successors and assigns.

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

1 19. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
2 provision, the entry of this Order does not limit other remedies that are available to the
3 Director under Oregon law.

4 SO ORDERED this 29th day of September, 2022.

5
6 ANDREW R. STOLFI, Director
7 Department of Consumer and Business Services

8
9 /s/ Dorothy Bean
10 Dorothy Bean Chief of Enforcement
11 Division of Financial Regulation

12 *[The remainder of this page intentionally left blank.]*
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ENTITY CONSENT TO ENTRY OF ORDER

I, Christopher Queen, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Money Transmitters Law with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect money transmission services in Oregon unless such activities are in full compliance with the Oregon Money Transmitters Law. Respondent understands that this Consent Order is a public document.

Signature: /s/ Christopher Queen
Position Held: Chief Executive Officer

State of N/A
County of N/A

Signed or attested before me on this N/A day of N/A, 2022
by N/A.

N/A
Notary Public

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

