

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

In the Matter of:

Case No. CF-17-0037

GENESIS BANKCARD SERVICES, INC.,  
Respondents.

FINAL ORDER TO CEASE AND  
DESIST AND ORDER ASSESSING  
CIVIL PENALTIES, ENTERED BY  
CONSENT

WHEREAS, 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 725 (the “*Oregon Consumer Finance Act*”), has conducted an investigation of Genesis Bankcard Services, Inc. (“*Genesis*”) regarding violations of the Oregon Consumer Finance Act; and

WHEREAS Genesis, without admitting or denying any wrongdoing, wishes to resolve this matter with the Director;

NOW THEREFORE, as evidenced by the signature subscribed in this Order, Genesis hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law.

I. FINDINGS OF FACT

The Director FINDS that:

1. Genesis is an Oregon corporation registered with the Oregon Secretary of State as Registry No. 217013-96.

2. Genesis is a subsidiary of Genesis Financial Solutions, Inc. (“*Genesis Financial*”), a foreign business corporation registered with the Oregon Secretary of State to do business in Oregon (Registry No. 016419-92).

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



1           3.    Both Genesis and Genesis Financial maintain a principal place of business  
2 located at 15220 NW Greenbrier Parkway, Ste. 200, Beaverton, OR 97006.

3           4.    Genesis acts as a “service provider” for three federally insured state-chartered  
4 banks (collectively the “*Issuing Banks*”) in the issuance of general purpose credit cards  
5 known as the Milestone Gold MasterCard and Indigo Platinum MasterCard, and private  
6 label credit cards.

7           5.    The credit cards issued by the Issuing Banks are unsecured by personal or real  
8 property, require monthly payments, and do not on their face terminate after a certain  
9 period of time.

10          6.    Genesis provides, for a fee, various services to the Issuing Banks with respect  
11 to the credit cards described in Paragraph 4 including, but not limited to, the following:

12           A.    Assisting the Issuing Banks in marketing their credit card programs,  
13 including providing advertising and marketing services for the Issuing Banks through  
14 Genesis’ websites ([www.genesis-fs.com](http://www.genesis-fs.com); [www.milestonegoldcard.com](http://www.milestonegoldcard.com); and  
15 [www.indigocard.com](http://www.indigocard.com)) and other channels;

16           B.    Receiving and processing applications for credit and applying the Issuing  
17 Banks’ underwriting criteria;

18           C.    Delivering credit card agreements, disclosures, periodic statements, and  
19 other cardholder communications to borrowers;

20           D.    Providing cardholder customer service functions to borrowers;

21           E.    Receiving and processing cardholder payments; and

22           F.    Purchasing account receivables generated from the Issuing Banks’ credit  
23 card programs.

24    ///

25    ///

26    ///



1 7. At all relevant times herein, Genesis was not licensed by the Director, by and  
2 through the Division of Financial Regulation, previously known as the Division of  
3 Finance and Corporate Securities (collectively the “*Division*”), to make consumer finance  
4 loans, or act as an agent, broker, or facilitator with respect to consumer finance loans.

5 8. Genesis obtained a consumer finance license from the Division on November  
6 18, 2016.

7 9. Prior to obtaining a consumer finance license from the Division, Genesis acted  
8 as a service provider for no less than 20,000 consumer loans or lines of credit made  
9 through the Issuing Banks.

10 II. CONCLUSIONS OF LAW

11 The Director CONCLUDES that:

12 10. The credit cards offered by the Issuing Banks and described in Paragraph 4  
13 above were “consumer finance loans” under ORS 725.010(2).

14 11. Genesis acted as a “broker or facilitator” under ORS 725.010(1)(a), when it,  
15 for a fee or consideration, performed the services described in Paragraph 6 with respect to  
16 the consumer finance loans issued by the Issuing Banks.

17 12. Under ORS 725.045(1), a person may not act as an agent, broker or facilitator  
18 for a person that makes a consumer finance loan unless the person first obtains a license  
19 from the Division.

20 13. Genesis violated ORS 725.045(1) when it acted as an agent, broker or  
21 facilitator for the Issuing Banks in the issuance of no less than 20,000 consumer finance  
22 loans, without first obtaining a consumer finance license from the Division. Each instance  
23 in which Genesis acted as an agent, broker or facilitator in the issuance of a consumer  
24 finance loan without a license is a separate and distinct violation of ORS 725.045(1).

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 14. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL  
2 PENALTY in an amount of up to \$2,500 per violation against any person who violates  
3 any provision of the Oregon Consumer Finance Act or the rules promulgated thereunder.

4 III. ORDERS

5 Now therefore, the Director issues the following ORDERS:

6 15. As authorized by ORS 725.400, the Director hereby ORDERS Genesis to  
7 CEASE AND DESIST from violating any provision of the Oregon Consumer Finance  
8 Act or the administrative rules promulgated thereunder, including, but not limited to,  
9 acting as an agent, broker, or facilitator for makers of consumer finance loans without  
10 being licensed.

11 16. Based upon the foregoing and as authorized by ORS 725.910, the Director  
12 hereby assesses a CIVIL PENALTY against Genesis in the total amount of ten thousand  
13 dollars (\$10,000) for violations of ORS 725.045(1) as more fully described in Paragraph  
14 13 above.

15 17. The Director SUSPENDS the collection of \$5,000 of the total CIVIL  
16 PENALTY assessed above, so long as Genesis complies with all terms and conditions of  
17 this Order and all requirements of the Oregon Consumer Finance Act. If Genesis  
18 complies with the terms of this Order and the Director has not initiated an enforcement  
19 action for new violations of the Oregon Consumer Finance Act during the three-year  
20 period from the effective date of this Order, the Director WAIVES the collection of the  
21 suspended CIVIL PENALTY assessed herein.

22 18. The \$5,000 CIVIL PENALTY assessed above that is not suspended is due and  
23 payable at the time this Order is returned to the Division.

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 19. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that  
2 provision, entry of this Order in no way limits or prevents further remedies, sanctions, or  
3 actions which may be available to the Director under Oregon law to enforce this Order,  
4 for violations of this Order, for conduct or actions of Genesis that are not covered by this  
5 Order, or against any party not covered by this Order.

6  
7 SO ORDERED this 19<sup>th</sup> day of June, 2017.

8 PATRICK M. ALLEN, Director  
9 Department of Consumer and Business Services

10  
11 /s/ David Tatman  
12 David C. Tatman, Chief of Enforcement  
13 Division of Financial Regulation  
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

**CONSENT TO ENTRY OF ORDER**

I, Gregg Atkinson, state that I am an officer of Genesis Bankcard Services, Inc. (“**Genesis**”), and that I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of Genesis’ right to a hearing in this matter; that Genesis has been represented by counsel in this matter; that Genesis voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Genesis executes this Order as a settlement of the matters referred to in the foregoing Order, without admitting or denying any wrongdoing; that Genesis understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Consumer Finance Act by Genesis, and; that Genesis will fully comply with the terms and conditions stated herein.

Genesis understands that this Order is a public document.

By: /s/ Gregg Atkinson  
Signature

By: Gregg Atkinson  
Printed Name

Office Held: CFO

State of OREGON  
County of Washington

There appeared before me this 21<sup>st</sup> day of June, 2017, Gregg Atkinson, and stated that he/she was and is an officer of Genesis, and that he/she is authorized and empowered to sign this Order on behalf of Genesis, and to bind it to the terms hereof.

Heuanmali T. Chanthakhoun  
Notary Public - State of Oregon  
Commission No. 953777  
Expires August 25, 2020

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

