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

In the Matter of: JOSE A. DUARTE dba THE BONG SMOKE SHOP, Respondent.	Case No. T-17-0026 FINAL 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 ("the Director"), acting in accordance with the Oregon Revised Statutes ("ORS") chapter 725A, has conducted an investigation into the unlicensed title loan activity of Jose A. Duarte dba The Bong Smoke Shop ("Respondent").

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent's principal place of business is located at 225 Lancaster Drive SE, Salem, Oregon 97317.

2. Respondent has never held an Oregon title loan license.

3. On or about December 31, 2016, Respondent posted an advertisement on Craigslist offering short-term collateral loans from $100 to $10,000 for thirty (30) and sixty (60) days.

4. On January 3, 2017, Respondent gave JS, an Oregon resident, a $500 loan secured by the title of JS's vehicle. The loan agreement required JS to make weekly,

interest only payments of $50 for four (4) weeks, with payment of the principal amount due on February 1, 2017.

5. The interest rate of Respondent's loan to JS exceeded thirty-six percent (36%) per annum.

6. Respondent received a total of $150 in interest payments from JS.

7. On February 1, 2017, the Division of Financial Regulation ("the Division") learned that Respondent had taken JS's vehicle because JS was unable to pay Respondent the principal loan amount and the final interest installment.

8. Respondent told the Division that he did not know that making title loans required a license and that he was going to stop making title loans.

9. Respondent returned the vehicle to JS.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. By making a title loan to JS without an Oregon title loan license, Respondent violated ORS 725A.020(1)(a).

11. By making a title loan to JS with an interest rate in excess of thirty-six percent (36%) per annum, Respondent violated ORS 725A.062(1).

12. By making a title loan to JS for a term of less than thirty-one (31) days, Respondent violated ORS 725A.062(3).

13. Under ORS 725A.990(1), the Director may impose upon Respondent a civil penalty of up to $2,500 per violation of ORS chapter 725A.

ORDERS

Now therefore, the Director issues the following Orders:

14. As authorized by ORS 725A.082, the Director ORDERS Respondent to

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CEASE AND DESIST from violating any provision of ORS chapter 725A.

15. Pursuant to ORS 725A.990(1), the Director may assess a civil penalty of up to $2500 per violation of ORS chapter 725A. The Director hereby ORDERS Respondent to pay a total CIVIL PENALTY of $5,000 for violating ORS 725A.020(1)(a) and 725A.062(1) and (3).

16. The Director SUSPENDS the $5,000 civil penalty for a period of three years from the date of this Order, provided that Respondent does not violate any provision of ORS chapter 725A or the terms of this Order. If Respondent commits any such violation, the civil penalty will become immediately due and payable. If Respondent does not violate any provision of ORS chapter 725A or the terms of this Order during the prescribed three-year period, the civil penalty is waived.

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

SO ORDERED this 29th day of March, 2017.

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

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Jose A. Duarte, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent 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; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of ORS chapter 725A by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Jose A. Duarte

Signature

State of Oregon

County of Marion

Signed or attested before me on this 27th day of March , 2017 by Jose A. Duarte.

/s/ Juan Angel Diaz

Notary Public

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