

1
2 STATE OF OREGON
3 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 DIVISION OF FINANCIAL REGULATION

5 In the Matter of

Case No. CF-19-0043

6 GRANSON FINANCE INVESTMENTS
7 AND LOANS,

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

8 Respondent.

9 On March 16, 2019, the Director of the Department of Consumer and Business
10 Services for the State of Oregon (“Director”), by and through the Division of Financial
11 Regulation (“Division”), served Notice of Administrative Order CF-19-0043 (“Notice”) on
12 Granson Finance Investment and Loans (“Respondent”), providing notice that the Director
13 intended to issue an order to cease and desist and assess civil penalties for violations of
14 Oregon Revised Statutes (“ORS”) 725.010 to 725.910 (the “Oregon Consumer Finance
15 Act”); ORS chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750
16 (the “Insurance Code”); and the Oregon Administrative Rules (“OAR”) promulgated under
17 those laws.

18 The Division attempted to serve the Notice at all locations known or believed to be
19 addresses of Respondent, including: 146 W 29th Street, 8th Floor, New York, NY 10001;
20 166 Wilson Avenue, North York M5M 42B, Canada; and 550 11th Ave, Suite 800,
21 Calgary, AB T2R 1M7, Canada. Those service attempts were unsuccessful. Therefore, on
22 June 14, 2019, in accordance with ORS 60.731(2)(c), the Division served the Secretary of
23 State as an agent for Respondent.

24 The Notice offered Respondent an opportunity for a hearing if requested within 30
25 days of service of the Notice. The Notice further informed Respondent that if a hearing
26 was not conducted because Respondent did not timely request a hearing or otherwise

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1 defaulted, then the designated portion of the Division’s file and all materials submitted by
2 Respondent in this case would automatically become part of the contested case record for
3 the purpose of proving a prima facie case.

4 The Director did not receive from Respondent a request for a hearing and did not
5 conduct a hearing.

6 The Director finds that the record of this proceeding proves a prima facie case.

7 Now, therefore, after considering the relevant portions of the Division’s file relating
8 to this matter, the Director finds and orders as follows.

9 **FINDINGS OF FACT**

10 The Director FINDS that:

11 1. In or about September 2018, an Oregon consumer identified herein as AM
12 submitted an application through loan referral website for a payday or consumer finance
13 loan. That application was distributed to a number of financial services providers who then
14 contacted AM with various loan offers.

15 2. On September 12, 2018, Respondent sent an email to AM indicating that it had
16 received and reviewed her loan application and stating, “we have fully approved you for
17 your loan.”

18 3. On that same day, Respondent emailed AM a set of loan documents, which
19 included a Loan Agreement, Promissory Note, and Optional Insurance Coverage
20 documents. Respondent encouraged AM to “sign and submit the documents with proof of
21 identification, proof of income, and your account information for the deposit.”

22 4. The Loan Agreement offered AM a loan, the principal amount of which was
23 \$8,000 at an interest rate of seven percent (7%) for a term of four (4) years, with a collateral
24 down payment of \$575. AM would be required to make 45 monthly payments of \$191.57.

25 5. The Promissory Note contained the same loan amount, interest rate, and
26 repayment terms as the Loan Agreement, among other terms.

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1 person first obtains a license under this chapter.

2 15. By offering AM the foregoing consumer finance loan and conducting the
3 business of making a consumer finance loan without first obtaining a license under ORS
4 chapter 725, Respondent violated ORS 725.045(1).

5 16. Under ORS 725.400(1)(c), the Director may issue and serve upon a person
6 acting as a consumer finance lender without a license an order to cease and desist from a
7 violation when the Director has reasonable cause to believe that the person to whom the
8 order is directed is violating, has violated, or is about to violate any provision of this chapter
9 or a rule or order of the director.

10 17. Because the Director has reasonable cause to believe that Respondent has
11 violated the Oregon Consumer Finance Act, including ORS 725.045(1), the Director may
12 issue an order to cease and desist against Respondent.

13 18. Under ORS 725.910(1), the Director may assess against any person who
14 violates any provision of this chapter, or any rule or final order of the Director under this
15 chapter, a civil penalty in an amount determined by the Director of not more than \$2,500.

16 19. Because Respondent has violated provisions of the Oregon Consumer Finance
17 Act, the Director may assess a civil penalty of not more than \$2,500 against Respondent
18 per violation of that Act.

19 20. Under ORS 731.102(1), “insurance” means a contract whereby one undertakes
20 to indemnify another or pay or allow a specified or ascertainable amount or benefit upon
21 determinable risk contingencies.

22 21. The Optional Insurance Coverage constitutes insurance under the Insurance
23 Code.

24 22. Under ORS 744.053, a person may not sell, solicit, or negotiate insurance in
25 this state for any class or classes of insurance unless the person is licensed as an insurance
26 producer for that class or those classes in accordance with ORS 744.052 to 744.089.



1 23. Under ORS 731.114, “person” means an individual or a business entity. For the
2 purpose of this definition, “business entity” means a corporation, association, partnership,
3 limited liability company, limited liability partnership, or other legal entity.

4 24. Respondent is a “person” under ORS 731.114.

5 25. Under ORS 731.104(3), “solicit” means to attempt to sell a policy of insurance
6 or to ask or urge a person to apply for a particular kind of insurance from a particular
7 insurer.

8 26. By attempting to sell or urging AM to apply for the Optional Insurance
9 Coverage, Respondent solicited AM to purchase insurance under ORS 731.104(3).

10 27. By soliciting AM for insurance, including the Optional Insurance Coverage,
11 without being licensed as an insurance producer under ORS 744.052 to 744.089,
12 Respondent violated ORS 744.053.

13 28. Under ORS 742.003, except where otherwise provided by law, no basic policy
14 form, or application form where written application is required and is to be made a part of
15 the policy, or rider, indorsement or renewal certificate form shall be delivered or issued for
16 delivery in this state until the form has been filed with and approved by the Director.

17 29. By soliciting AM for the Optional Insurance Coverage using a form that had
18 not been filed with and approved by the Director, Respondent violated ORS 742.003.

19 30. Under ORS 731.252(1), whenever the Director has reason to believe that any
20 person has been engaged or is engaging or is about to engage in any violation of the
21 Insurance Code, the Director may issue an order, directed to such person, to discontinue or
22 desist from such violation or threatened violation

23 31. Because the Director has reason to believe that Respondent has violated the
24 Insurance Code, including ORS 742.003 and ORS 744.053, the Director may issue an order
25 directed to Respondent to discontinue or desist from such violations.

26 32. Under ORS 731.998(1), a person that violates any provision of the Insurance

1 Code or any lawful rule or final order of the Director, shall forfeit and pay to the General
2 Fund of the State Treasury a civil penalty in an amount determined by the Director that
3 does not exceed \$10,000 for each offense. Each violation is a separate offense.

4 33. Because Respondent has violated provisions of the Insurance Code, the
5 Director may assess a civil penalty against Respondent that does not exceed \$10,000 for
6 each such violation.

7 **ORDERS**

8 The Director ISSUES the following ORDERS:

9 Order to Cease and Desist

10 34. Pursuant to ORS 725.400(1)(c) and ORS 731.252(1), the Director hereby
11 ORDERS Respondent, and all entities owned or controlled by Respondent, its successors
12 and assignees, to CEASE AND DESIST from violating any provision of the Oregon
13 Consumer Finance Act, the Insurance Code, or any administrative rule adopted by the
14 Director under those statutes.

15 Order Assessing Civil Penalties

16 35. Pursuant to the authority of ORS 725.900(1) and ORS 731.998(1), the
17 Director hereby ORDERS the assessment of CIVIL PENALTIES against Respondent in
18 the amount of \$7,500 as follows:

19 A. \$2,500 for violations of the Oregon Consumer Finance Act, including
20 conducting the business of making a consumer finance loan without first obtaining
21 a license under ORS chapter 725, in violation of ORS 725.045(1); and

22 B. \$5,000 for violations of the Insurance Code, including soliciting an Oregon
23 consumer for a class of insurance without being licensed as an insurance producer,
24 in violation of ORS 744.053, and using a form that had not been filed with and
25 approved by the Director, in violation of ORS 742.003.

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1 36. Entry of this Order in no way limits or prevents further remedies, sanctions, or
2 actions which may be available to the Director under Oregon law to enforce this Order, for
3 violations of this Order, for conduct or actions of Respondent that are not covered by this
4 Order, or against any party not covered by this Order.

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

8 IT IS SO ORDERED.

9 Dated this 23rd day of September, 2019.

10 CAMERON SMITH, Director
11 Department of Consumer and Business Services

12
13 /s/ Dorothy Bean
14 Dorothy Bean, Chief of Enforcement
15 Division of Financial Regulation

16 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

17 Judicial review of final orders in contested cases is governed by ORS 183.482.
18 Respondent may request judicial review by filing a petition with the Court of Appeals in
19 Salem, Oregon, within 60 days from the date this order is served.

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