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

4 In the Matter of

Case No. CF-19-0078

5
6 CONSUMER NEEDS,

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

7 Respondent.
8

9 On November 21, 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-19-0078 (“Notice”) on
12 Consumer Needs (“Respondent”), providing notice that the Director intended to issue an
13 order to cease and desist and assess civil penalties for violations of Oregon Revised Statutes
14 (“ORS”) 725.010 to 725.910 (the “Oregon Consumer Finance Act”) and the Oregon
15 Administrative Rules (“OAR”) promulgated under those laws.

16 The Notice offered Respondent an opportunity for a hearing if requested within 30
17 days of service of the Notice. The Notice further informed Respondent that if a hearing
18 was not conducted because Respondent did not timely request a hearing or otherwise
19 defaulted, then the designated portion of the Division’s file and all materials submitted by
20 Respondent in this case would automatically become part of the contested case record for
21 the purpose of proving a prima facie case.

22 The Director did not receive from Respondent a request for a hearing and did not
23 conduct a hearing.

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

25 The Director makes the following Findings of Fact, Conclusion of Law, Orders,
26 and Notice of Right to Judicial Appeal.

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1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. An Oregon Consumer identified herein as KS submitted an online application
4 for a cash advance loan.

5 2. Respondent's webpage, <https://consumerneed.co/faq.php>, informs consumers
6 of the application process: their application will be forwarded to a network of three hundred
7 lenders for review; they will be contacted by lenders with offers; consumers and then able
8 to visit the lender's website to brows terms related to the loan. Consumers will be asked to
9 supply an electronic signature once they have agreed to the terms and their funds will be
10 deposited to their checking account on the following business day.

11 3. Under the section, "When I Will [sic] Get The Money?", the Respondent
12 informs consumers that a lender will transfer funds instantly once they are approved.

13 4. KS later received a text message from "Clark" from Consumer Needs,
14 informing her she was approved to receive up to \$5,000, and needed to provide additional
15 personal information including her checking account number.

16 5. KS provided her banking information from Washington Federal Bank.
17 Respondent then deposited three checks into KS's bank account by forging KS's signature
18 for endorsement through mobile banking. The checks were in the amounts of \$743.53,
19 \$638.19 and \$413.35 and appeared to be payroll checks from a legitimate company.

20 6. KS was informed by Respondent that it would be making a deposit into her
21 account but she did not authorize Respondent to set up mobile banking on her bank account,
22 deposit counterfeit checks into her account or forge her signature for endorsement.

23 7. Respondent instructed KS to withdraw the funds and send them back to confirm
24 that the account was hers, which she did.

25 8. After Respondent received KS's funds, Washington Federal Bank identified the
26 check endorsements as counterfeit and contacted KS.



1 9. KS encountered a loss as a result of the counterfeit checks, causing KS to have
2 a negative balance of approximately \$1,500 in her account.

3 10. KS thereafter continued to receive text messages from Respondent requesting
4 she send additional funds in order to resolve the problem with her loan.

5 11. KS did not receive loan funds nor did she receive funds to cover the negative
6 balance in her checking account, despite requests to Respondent.

7
8 **CONCLUSIONS OF LAW**

9 The Director CONCLUDES that:

10 12. Under ORS 725.010(2), a “consumer finance loan” means a loan or line of
11 credit that is unsecured or secured by personal or real property and that has periodic
12 payments and terms longer than 60 days.

13 13. Under ORS 725.045(1)(a), a person may not conduct a business in which the
14 person makes a consumer finance loan in Oregon unless the person first obtains a license
15 from the Director. Respondent violated ORS 725.045(1)(a) by making a consumer finance
16 loan to KS without first obtaining a license from the Director.

17 14. Under ORS 725.045(1)(b), an unlicensed consumer finance lender may not
18 deposit a borrower’s or consumer’s check, or withdraw moneys from a borrower’s or
19 consumer’s account in connection with a consumer finance loan. Respondent violated ORS
20 725.045(1)(b) when it deposited funds into KS’s bank account without her authorization,
21 and when Respondent subsequently cashed KS’s check.

22 15. Under ORS 725.400(1)(c), the Director may issue and serve upon a person
23 acting as a consumer finance lender without a license an order to cease and desist from a
24 violation when the Director has reasonable cause to believe that the person to whom the
25 order is directed is violating, has violated, or is about to violate any provision of this chapter
26 or a rule or order of the Director. Because the Director has reasonable cause to believe that

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1 Respondent has violated the Oregon Consumer Finance Act, including ORS 725.045(1),
2 the Director may issue an order to cease and desist against Respondent.

3 16. Under ORS 725.910(1), the Director may assess against any person who
4 violates any provision of this chapter, or any rule or final order of the Director under this
5 chapter, a civil penalty in an amount determined by the Director of not more than \$2,500.
6 Because Respondent has violated provisions of the Oregon Consumer Finance Act, the
7 Director may assess a civil penalty of not more than \$2,500 against Respondent for each
8 violation of that Act.

9 ORDERS

10 The Director ISSUES the following ORDERS:

11 Order to Cease and Desist

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

16 Order Assessing Civil Penalties

17 18. Pursuant to the authority of ORS 725.910(1), the Director hereby ORDERS the
18 assessment of CIVIL PENALTIES against Respondent in the amount of \$5,000 for
19 violating the Oregon Consumer Finance Act, including conducting the business of making
20 a consumer finance loan without first obtaining a license under ORS 725.045(1)(a), and
21 for depositing insufficient funds into KS's account and cashing KS's check, in violation of
22 ORS 725.045(1)(b).

23 19. Entry of this Order in no way limits or prevents further remedies, sanctions, or
24 actions which may be available to the Director under Oregon law to enforce this Order, for
25 violations of this Order, for conduct or actions of Respondent that are not covered by this
26 Order, or against any party not covered by this Order.

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1 20. 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 7th day of January , 2020 in Salem,
5 Oregon.

6
7 LOUIS SAVAGE, Acting Director
8 Department of Consumer and Business Services

9
10 /s/ Dorothy Bean

11 Dorothy Bean, Chief of Enforcement
12 Division of Financial Regulation

13 NOTICE OF RIGHT TO JUDICIAL APPEAL

14 You are entitled to judicial review of this order in accordance with ORS 183.482.
15 You may request judicial review by filing a petition with the Court of Appeals in Salem,
16 Oregon, within 60 days from the date this order is served.

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