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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

I-10-0011

9 **AUTHORIZED PAYDAY, LLC**, a
10 Delaware limited liability corporation,
11
12 Respondent.

13 FINAL ORDER TO CEASE AND
14 DESIST AND ASSESSING CIVIL
15 PENALTY ENTERED BY DEFAULT

16 On May 3, 2010, the Director of the Department of Consumer and Business Services for
17 the State of Oregon (hereafter “the Director”), acting by and pursuant to the authority of the
18 Oregon Consumer Finance Act, Oregon Revised Statutes (“ORS”) chapter 725, and other
19 applicable authority, issued Administrative Order No. I-10-0011, ORDER TO CEASE AND
20 DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT
21 TO A HEARING (“the Proposed Order”) against Respondent Authorized Payday, LLC.

22 On May 5, 2010, Respondent Authorized Payday, LLC was duly served with a true copy
23 of the Proposed Order by certified United States Mail, postage prepaid, Item No. 7007-3020-
24 0000-3309-4837, and addressed to Respondent Authorized Payday, LLC at the following last
25 known address: 369 East 900 South #324, Salt Lake City, UT 84111.

26 On May 10, 2010, Respondent Authorized Payday, LLC was duly served with a true
copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. 7007-
3020-0000-3309-4813, and addressed to Respondent Authorized Payday, LLC at the following
address: 20423 State Road 7, Suite F6-350, Boca Raton, FL 33498.

On May 10, 2010, Respondent Authorized Payday, LLC was duly served with a true
copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. 7007-
3020-0000-3309-4820, and addressed to Mark J. Kane, Del Prado Holdings, Inc.; 20423 State

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



1 Road 7, Suite F6-350, Boca Raton, FL 33498.

2 Respondent Authorized Payday, LLC has not made a written request for a contested case
3 hearing in this matter and time to do so has now expired.

4 NOW THEREFORE, after consideration of the file in this matter maintained by the
5 Division of Finance and Corporate Securities, including materials that Respondent may have
6 submitted, the Director hereby issues the following Findings of Fact, Conclusions of Law, and
7 Final Order.

8 **I.**

9 **FINDINGS OF FACT**

10 The Director FINDS that:

11 1. Authorized Payday LLC (hereinafter “Authorized Payday LLC”) is a Delaware
12 limited liability corporation (“LLC”) with principal offices located at 20423 State Road 7, Suite
13 F6-350, Boca Raton, Florida 33498. The managing member of Authorized Payday LLC is Del
14 Prado Holdings, Inc., located at the same address. The corporate president of Del Prado
15 Holdings, Inc. is Mark J. Kane. Authorized Payday LLC also has offices located at 369 East 900
16 South #324, Salt Lake City, Utah 84111. Authorized Payday LLC is not registered with the
17 Oregon Secretary of State as a foreign business.

18 2. Authorized Payday LLC is in the business of making loans to individuals primarily
19 for personal, family or household purposes for periods of less than 60 days. The loans are not
20 made as purchase money loans and are usually evidenced by a check or electronic repayment
21 agreement provided by or on behalf of the borrower. These loans are commonly called “payday
22 loans”. Authorized Payday LLC conducts its payday loan business via the Internet through its
23 website authorizedpayday.com.

24 3. At all relevant times herein, Authorized Payday LLC was not licensed in Oregon with
25 the Director as a payday lender.

26 4. At all times relevant to this matter, an individual identified herein as “DI” was a





1 resident of the State of Oregon.

2 5. In August 2007, DI negotiated a short term consumer loan with Authorized Payday
3 LLC via the Internet through the website www.authorizedpayday.com. DI obtained the loan
4 primarily for personal, family or household purposes. DI negotiated the loan with Authorized
5 Payday LLC while being physically present in Oregon. As part of the loan terms, DI provided
6 Authorized Payday LLC with her Oregon bank account information, and allowed Authorized
7 Payday LLC to access her account. DI's bank account was with a branch of a bank located in
8 Oregon.

9 6. On or about August 24, 2007, Authorized Payday LLC deposited the loan principal of
10 \$200 in DI's Oregon bank account. Under the terms of the loan, DI was charged a finance charge
11 of \$60. Under the terms of the loan agreement, the loan principal and the finance charge were
12 due on September 5, 2007, a period of less than 31 days from the date of the loan. When DI
13 failed to pay off the loan on September 5, 2007, Authorized Payday LLC debited DI's Oregon
14 bank account in the amount of \$60, an effective APR of 915.5 percent. Thereafter, Authorized
15 Payday LLC continued to debit DI's Oregon bank account approximately every 14 days in the
16 amount of \$60.

17 7. On or about October 17, 2007, a financial examiner for the Division of Finance and
18 Corporate Securities ("the Division") wrote to Authorized Payday LLC informing the company
19 of the complaint filed by DI and requesting that Authorized Payday LLC provide the Division
20 with "[a] list of all loans * * * made to Oregon consumers beginning July 1, 2007" to the date of
21 the letter. Authorized Payday LLC resolved the complaint with DI, but refused to provide a list
22 of loans made to other Oregon residents.

23 II.

24 CONCLUSIONS OF LAW

25 The Director CONCLUDES that:

26 8. The short term consumer loan made by Authorized Payday LLC to Oregon resident



1 DI is a payday loan as defined in ORS 725.600(3).

2 9. The payday loan made by Authorized Payday LLC to Oregon resident DI was subject
3 to ORS chapter 725 because Authorized Payday LLC made a loan for personal, family or
4 household purposes of less than \$50,000 to a consumer who resided in Oregon and the consumer
5 made a payment on the loan in this state as that term is defined in ORS 725.602 when
6 Authorized Payday LLC debited DI's Oregon bank account, which was with a branch of a
7 financial institution located in Oregon.

8 10. Authorized Payday LLC violated ORS 725.045(1) by conducting a business in which
9 it made a payday loan as defined by ORS 725.600(3) to an Oregon resident without first
10 obtaining a license under ORS chapter 725.

11 11. Authorized Payday LLC violated ORS 725.622(1)(a) by making or renewing a
12 payday loan at a rate of interest that exceeds 36 percent per annum, excluding a one-time
13 origination fee for a new loan.

14 12. Authorized Payday LLC violated ORS 725.622(1)(d) by making or renewing a
15 payday loan for a term of less than 31 days.

16 13. Authorized Payday LLC violated ORS 725.310(2)(a) by failing to give the Director
17 free access to the records of Authorized Payday's Oregon loans of the period January 1, 2007 to
18 October 17, 2007.

19 **III.**

20 **ORDERS**

21 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

22 Cease and Desist Order

23 14. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Authorized
24 Payday LLC to CEASE AND DESIST from violating any provision of the Oregon Consumer
25 Finance Act, ORS chapter 725, OAR 441-730-0000 through 441-730-0320, or any rule, order, or
26 policy issued by the Director under that chapter.

Order Assessing Civil Penalty

15. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL PENALTY in an amount determined by the Director of not more than \$2,500 per violation against any person who violates any provision of the Oregon Consumer Finance Act, ORS chapter 725. Pursuant to this provision, the Director hereby ORDERS Respondent Authorized Payday LLC to pay a CIVIL PENALTY in the amount of \$10,000 (ten thousand dollars) for the following violations:

A. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for conducting a business in which it made a payday loan as defined by ORS 725.600(3) to an Oregon resident without first obtaining a license under ORS chapter 725 in violation ORS 725.045(1);

B. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for making or renewing a payday loan at a rate of interest that exceeds 36 percent per annum, excluding a one-time origination fee for a new loan, in violation of ORS 725.622(1)(a);

C. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of ORS 725.622(1)(d) by making or renewing a payday loan for a term of less than 31 days; and

16. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of ORS 725.310(2)(a) by failing to give the Director free access to the records of Authorized Payday's Oregon loans of the period January 1, 2007 to October 17, 2007.

17. The entry of this Order in no way limits further remedies which may be available to

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



1 the Director under Oregon law.

2 IT IS SO ORDERED.

3 Dated this 15th day of _____ June _____, 2010 at Salem, Oregon,

4 NUNC PRO TUNC May 3, 2010.

5 CORY STREISINGER, Director
6 Department of Consumer and Business Services

7 /s/ David Tatman
8 David C. Tatman, Administrator
9 Division of Finance and Corporate Securities

10 **NOTICE OF RIGHT TO APPEAL**

11 You are entitled to seek judicial review of this Order. Judicial review may be obtained by
12 filing a petition for review with the Oregon Court of Appeals within sixty (60) days from the
13 service of this final order. Judicial review is pursuant to the provisions of ORS 183.482.

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