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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-10-0032**

9 **E-PAYDAY-LOAN, INC.,**  
10 **dba E-Payday-Loan.com,**

**FINAL ORDER TO CEASE AND**  
**DESIST AND ORDER ASSESSING**  
**CIVIL PENALTY ENTERED BY**  
**DEFAULT**

11 Respondent.

12 On July 16, 2010, the Director of the Department of Consumer and Business Services for  
13 the State of Oregon (hereafter “the Director”), acting by and pursuant to the authority of Oregon  
14 Revised Statutes (“ORS”) chapter 725, issued Administrative Order No. I-10-0032 ORDER TO  
15 CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE  
16 OF RIGHT TO HEARING (“the Proposed Order”) against Respondent E-PAYDAY-LOAN,  
17 INC., dba E-Payday-Loan.com.

18 On November 19, 2010, E-PAYDAY-LOAN, INC. was duly served with a true copy of  
19 the Proposed Order by United States Mail and Certified Mail, postage prepaid, addressed to E-  
20 Payday-Loan, Inc., PO Box 571992, Murray, ID 84157 and by e-mail to e-payday-loan.com.  
21 This post office box address is used in E-PAYDAY-LOAN, INC.’s website and other advertising  
22 as is the e-mail address.

23 E-PAYDAY-LOAN, INC. has not filed a timely written request for a contested case  
24 hearing in this matter and time to do so has expired.

25 NOW THEREFORE, after consideration of the file of the Division of Finance and  
26 Corporate Securities and accompanying exhibits, including any submitted by Respondents, the  
Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order.

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I.

**FINDINGS OF FACT**

The Director FINDS that:

1. At all times relevant herein, E-PAYDAY-LOAN, INC., also known as E-PAYDAY-LOAN.COM (“E-PAYDAY-LOAN”) is, or was, a business organization whose form and legal status is unknown but was and is a corporation, a limited liability company, or a partnership. E-PAYDAY-LOAN’s last known business address is P.O. Box 571992, Murray, Utah 84157. That address is used on the company website at [www.e-payday-loan.com](http://www.e-payday-loan.com) and is also the address of record filed with the Internet domain name agent. E-PAYDAY-LOAN is not registered with the Oregon Secretary of State as a foreign business.

2. E-PAYDAY-LOAN is in the business of making loans to individuals primarily for personal, family or household purposes usually for periods of less than 60 days. The loans are not made as purchase money loans and are usually evidenced by a check or electronic repayment agreement provided by or on behalf of the borrower. These loans are commonly called “payday loans”. E-PAYDAY-LOAN conducts its payday loan business via the Internet through its website [www.e-payday-loan.com](http://www.e-payday-loan.com).

3. At all relevant times herein, E-PAYDAY-LOAN was not licensed in Oregon with the Director as a payday lender.

4. At all times relevant to this matter, an individual identified herein as “RM” was a resident of the State of Oregon.

5. On or about April 7, 2009, RM negotiated a short term consumer loan with E-PAYDAY-LOAN via the Internet through the website [www.e-payday-loan.com](http://www.e-payday-loan.com). RM obtained the loan primarily for personal, family or household purposes. RM negotiated the loan with E-PAYDAY-LOAN while being physically present in Oregon. As part of the loan terms, RM provided E-PAYDAY-LOAN with his Oregon bank account information, and allowed E-PAYDAY-LOAN to access his account. RM’s bank account was with a branch of a bank located



1 in Oregon.

2 6. On or about April 7, 2009, E-PAYDAY-LOAN deposited the loan principal of \$350  
3 in RM's Oregon bank account. Under the terms of the loan agreement, the loan principal and the  
4 finance charge of \$105 were due on April 16, 2009, a period of less than 31 days from the date of  
5 the loan. This agreement would have resulted in an effective APR of approximately 1216.67  
6 percent. When RM failed to pay off the loan on April 16, 2009, E-PAYDAY-LOAN debited  
7 RM's Oregon bank account in the amount of \$105. Thereafter, E-PAYDAY-LOAN continued to  
8 debit RM's Oregon bank account approximately every 14 days in the amount of \$105 until May  
9 29, 2009 for a total of \$420 paid on the loan. For the loan period April 7, 2009 to May 29, 2009,  
10 E-PAYDAY-LOAN charged RM approximately 842.31 percent interest on his \$350 loan.

11 7. On or about June 25, 2009, a financial examiner for the Division of Finance and  
12 Corporate Securities ("the Division") wrote to E-PAYDAY-LOAN informing the company of  
13 the complaint filed by RM and requesting that E-PAYDAY-LOAN provide the Division with  
14 "[a] list of loans \* \* \* made to Oregonians from July 1, 2007" to the date of the letter. Copies of  
15 the letter were provided to E-PAYDAY-LOAN via US Mail and e-mail. E-PAYDAY-LOAN  
16 failed to provide the requested documents or respond in any manner.

17 **II.**

18 **CONCLUSIONS OF LAW**

19 The Director CONCLUDES that:

20 8. The short term consumer loan made by E-PAYDAY-LOAN to Oregon resident RM  
21 is a payday loan as defined in ORS 725.600(3).

22 9. The payday loan made by E-PAYDAY-LOAN to Oregon resident RM was subject to  
23 ORS chapter 725 because E-PAYDAY-LOAN made a loan for personal, family or household  
24 purposes of less than \$50,000 to a consumer who resided in Oregon and the consumer made a  
25 payment on the loan in this state as that term is defined in ORS 725.602 when E-PAYDAY-  
26 LOAN debited RM's Oregon bank account, which was with a branch of a financial institution

1 located in Oregon.

2 10. E-PAYDAY-LOAN violated ORS 725.045(1) by conducting a business in which it  
3 made a payday loan as defined by ORS 725.600(3) to an Oregon resident without first obtaining  
4 a license under ORS chapter 725.

5 11. E-PAYDAY-LOAN violated ORS 725.622(1)(a) by making or renewing a payday  
6 loan at a rate of interest that exceeds 36 percent per annum, excluding a one-time origination fee  
7 for a new loan.

8 12. E-PAYDAY-LOAN violated ORS 725.622(1)(d) by making or renewing a payday  
9 loan for a term of less than 31 days.

10 13. E-PAYDAY-LOAN violated ORS 725.310(2)(a) by failing to give the Director  
11 access to the records of Authorized Payday's Oregon loans for the period January 1, 2007 to  
12 June 25, 2009.

13 **III.**

14 **ORDERS**

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

16 Cease and Desist Order

17 14. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Respondent  
18 E-PAYDAY-LOAN to CEASE AND DESIST from violating any provision of the Oregon  
19 Consumer Finance Act, ORS chapter 725, OAR 441-730-0000 through 441-730-0320, or any  
20 rule, order, or policy issued by the Director under that chapter.

21 Order Assessing Civil Penalty

22 15. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL  
23 PENALTY in an amount determined by the Director of not more than \$2,500 per violation  
24 against any person who violates any provision of the Oregon Consumer Finance Act, ORS  
25 chapter 725. Pursuant to this provision, the Director hereby ORDERS Respondent E-PAYDAY-  
26 LOAN to pay a CIVIL PENALTY in the amount of \$10,000 (ten thousand dollars) for the





1 following violations:

2 A. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of  
3 ORS 725.045(1) by conducting a business in which it made a payday loan as defined by ORS  
4 725.600(3) to an Oregon resident without first obtaining a license under ORS chapter 725;

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

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

10 D. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of  
11 ORS 725.310(2)(a) by failing to give the Director access to the records of the lender's Oregon  
12 loans of the period January 1, 2007 to June 25, 2009.

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

15 IT IS SO ORDERED.

16 Dated this 14<sup>th</sup> day of February, 2011 at Salem, Oregon,

17 NUNC PRO TUNC July 16, 2010.

18 SCOTT L. HARRA, Acting Director  
19 Department of Consumer and Business Services

20 /s/ David Tatman  
21 David C. Tatman, Administrator  
22 Division of Finance and Corporate Securities

23 **NOTICE OF RIGHT TO APPEAL**

24 You have the right to appeal this Order to the Oregon Court of Appeals pursuant to ORS  
25 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within  
26 60 days from the day this Order was served on you. If this Order was personally delivered to

1 you, the date of service is the day you received the Order. If this Order was mailed to you, the  
2 date of service is the day it was *mailed*, not the day you received it. If you do not file a petition  
3 for judicial review within the 60-day period, you will lose your right to appeal.

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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

