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

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

In the Matter of:

**NORTHWAY FINANCIAL  
CORPORATION LTD, d/b/a zip19.com,  
d/b/a cashtransfercenters.com,  
d/b/a payday avenue, and  
d/b/a payday.com,**

Respondent.

**I-10-0038**

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

On January 27, 2011, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter “the Director”), acting by and pursuant to the authority of the Oregon Consumer Finance Act, Oregon Revised Statutes (“ORS”) chapter 725, and other applicable authority, issued Administrative Order No. I-10-0038, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO A HEARING (“the Proposed Order”) against Respondent Northway Financial Corporation Ltd.

On February 11, 2011, Respondent Northway Financial Corporation Ltd. was duly served with a true copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. RE 334 401 363 US, and addressed to Dr. Michael Psaila, Simon Tortell & Associates, 25, Strait Street, Valletta – VLT 1434, MALTA.

On February 11, 2011, Respondent Northway Financial Corporation Ltd. was duly served with a true copy of the Proposed Order by certified United States Mail, postage prepaid, Item No. RC 016 476 662 US, and addressed to Northway Financial Corporation Ltd., Level 8, Plaza Commercial Centre, Bisazza Street, Sliema – SLM 1640 MALTA.

On February 10, 2011, Respondent Northway Financial Corporation Ltd. was duly served

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 with a true copy of the Proposed Order by certified United States Mail, postage prepaid, Item  
2 No. RC 016 476 676 US, and addressed to Northway Financial Corporation Ltd., 200-15225 104  
3 Avenue, Surrey, British Columbia V3R 6Y8 CANADA.

4 Respondent Northway Financial Corporation Ltd. has not made a written request for a  
5 contested case hearing in this matter and time to do so has now expired.

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

10 **I.**

11 **FINDINGS OF FACT**

12 The Director FINDS that:

13 1. Northway Financial Corporation Ltd. (hereinafter “Northway” or “Respondent”) is  
14 believed to be a business entity operating from the Republic of Malta using the address of Level  
15 8, Plaza Commercial Centre, Bisazza Street, Sliema SLM 1640, MALTA. Northway also has a  
16 business address of 200-15225 104 Avenue, Surrey, BC V3R 6Y8 CANADA. Respondent is not  
17 registered to do business in Oregon with the Oregon Secretary of State as a foreign business.  
18 Northway uses a number of assumed business names, some of which are unknown to the  
19 Director, but include the assumed business names Zip 19, Cash Transfer Centers, and Payday  
20 Avenue.

21 2. Northway holds itself out to be in the business of making short-term consumer loans  
22 to individuals. Northway conducts its consumer loan business via the Internet through websites  
23 including, but not limited to: [www.zip19.com](http://www.zip19.com), [www.cashtransfercenters.com](http://www.cashtransfercenters.com),  
24 [www.paydayavenue.com](http://www.paydayavenue.com) and [www.payday.com](http://www.payday.com).

25 3. At all relevant times herein, Northway was not licensed in Oregon with the Director  
26 as a consumer lender.





1         4.     In 2009 and 2010, three Oregon residents, identified here as “BG”, “LH” “SL” and  
2 “AN”, negotiated short term consumer loans with Northway via the Internet through the websites  
3 [www.zip19.com](http://www.zip19.com), [www.cashtransfercenters.com](http://www.cashtransfercenters.com) or one of the other websites maintained by  
4 Respondent. Each of the loans was negotiated with Northway while the borrowers were  
5 physically present in Oregon. Each of the loans was for \$50,000 or less and was obtained by the  
6 borrowers primarily for personal, family or household purposes.

7         5.     The borrowers were each to repay their respective loan in 60 days or less. As part of  
8 the loan terms, the borrowers provided Northway with identification information for their  
9 respective Oregon bank accounts and allowed Northway to access those accounts. Each of the  
10 borrowers’ bank accounts was with a branch of a bank located in Oregon.

11         6.     Northway deposited the loan principal in each of the borrowers’ respective Oregon  
12 bank accounts. Under the terms of the loans, the borrowers were each charged a rate of interest  
13 exceeding 36 percent per annum, excluding a one-time origination fee for a new loan.

14         7.     Northway debited each of the respective borrowers’ bank accounts to withdraw funds  
15 to pay fees associated with their respective loans.

16   **II.**

17   **CONCLUSIONS OF LAW**

18     The Director CONCLUDES that:

19         8.     The short term consumer loan made by Northway to the four Oregon residents are  
20 payday loans as defined in ORS 725.600(3).

21         9.     The payday loans made by Northway to the four Oregon residents were subject to  
22 ORS chapter 725 because Northway made loans for personal, family or household purposes of  
23 less than \$50,000 to consumers who resided in Oregon and the consumers entered into or  
24 executed their respective loan contracts with Northway via the Internet while physically present  
25 in Oregon, and Northway deposited funds into the respective Oregon bank accounts of the  
26 borrowers, each bank being a branch of a financial institution located in Oregon.



1 10. Northway violated ORS 725.045(1) by conducting a business in which it made  
2 payday loans as defined by ORS 725.600(3) to Oregon residents without first obtaining a license  
3 under ORS chapter 725.

4 11. Northway violated ORS 725.622(1)(a) by making or renewing payday loans at a rate  
5 of interest exceeding 36 percent per annum, excluding a one-time origination fee for a new loan.

6 **III.**

7 **ORDERS**

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

9 Cease and Desist Order

10 12. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Respondent  
11 Northway Financial Corporation Ltd. to CEASE AND DESIST from violating any provision of  
12 the Oregon Consumer Finance Act, ORS chapter 725, OAR 441-730-0000 through 441-730-  
13 0320, or any rule, order, or policy issued by the Director under that chapter.

14 Order Assessing Civil Penalty

15 13. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL  
16 PENALTY in an amount determined by the Director of not more than \$2,500 per violation  
17 against any person who violates any provision of the Oregon Consumer Finance Act, ORS  
18 chapter 725. Pursuant to this provision, the Director hereby ORDERS Respondent Northway  
19 Financial Corporation Ltd. to pay a CIVIL PENALTY in the amount of \$20,000 (twenty  
20 thousand dollars) for the following violations:

21 A. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for violating ORS 725.045(1)  
22 by conducting a business in which it made payday loans as defined by ORS 725.600(3) to four  
23 Oregon residents without first obtaining a license under ORS chapter 725; and

24 B. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for violating ORS  
25 725.622(1)(a) by making or renewing four payday loans at a rate of interest exceeding 36  
26 percent per annum, excluding a one-time origination fee for a new loan.

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

3 IT IS SO ORDERED.

4 Dated this 16th day of March, 2011 at Salem, Oregon

5 NUNC PRO TUNC January 27, 2011.

6 SCOTT L. HARRA, Acting Director  
7 Department of Consumer and Business Services

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

11 **NOTICE OF RIGHT TO APPEAL**

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

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