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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-11-0024

9 **GLOBAL PAYDAY LOAN, LLC,**
10 dba Payday-Loan-Yes.com,

11 Respondent.

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

12 On May 12, 2011, 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 the
14 Oregon Consumer Finance Act, Oregon Revised Statutes (“ORS”) chapter 725, and other
15 applicable authority, issued Administrative Order No. I-11-0024, ORDER TO CEASE AND
16 DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO
17 A HEARING (“the Proposed Order”) against Respondent Global Payday Loan, LLC (“GPL”).

18 On May 16, 2011, Respondent GPL was duly served with a true copy of the Proposed
19 Order by certified United States Mail, postage prepaid, Item No. 7008 3230 0001 1430 5597, and
20 by regular first class mail, addressed to Global Payday Loan at the following last known address:
21 4001 S 700 E Suite 500, Salt Lake City, UT 84107.

22 On May 18, 2011, Respondent GPL was duly served with a true copy of the Proposed
23 Order by certified United States Mail, postage prepaid, Item No. 7008 3230 0001 1430 5580, and
24 by regular first class mail, addressed to Global Payday Loan LLC in care of Jules Shore,
25 Registered Agent, at 309 Old York Road, Suite 200, Jenkintown, PA 19046.

26 Respondent GPL has not made a written request for a contested case hearing in this
matter and time to do so has now expired.

NOW THEREFORE, after consideration of the file in this matter maintained by the

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 Division of Finance and Corporate Securities, including any materials that Respondent may have
2 submitted, the Director hereby issues the following Findings of Fact, Conclusions of Law, and
3 Final Order.

4 **I.**

5 **FINDINGS OF FACT**

6 1. Global Payday Loan, LLC is believed to be a limited liability company with offices
7 located at 4001 S. 700 E., Suite 500, Salt Lake City, Utah 84107 and also formerly had offices
8 located in Dallas, Texas. Global Payday is understood to do business as, or operate using the
9 assumed business name of, Payday-Loan-Yes as well as Fastcash Advance, CashNet,
10 CashNet500, First National Services, and others.

11 2. GPL is in the business of making small dollar amount consumer loans to individuals
12 primarily for personal, family or household purposes for periods of less than 60 days. The loans
13 are not made as purchase money loans and are usually evidenced by a check or electronic
14 repayment agreement provided by or on behalf of the borrower. These loans are commonly
15 called “payday loans”. GPL conducts its payday loan business via the Internet through websites
16 including <http://payday-loan-yes.com>.

17 3. At all relevant times herein, GPL was not licensed in Oregon with the Director as a
18 payday lender.

19 4. At all times relevant to this matter, GPL negotiated short term consumer loans with
20 seven individuals, hereinafter identified as “KE”, “PB”, “NG”, “CM”, “EM”, “JR” and “TL”
21 (hereinafter referred to collectively as “the borrowers”). Each of the borrowers is an Oregon
22 resident and was physically present in Oregon when the loans with GPL were negotiated. Each
23 of the borrowers negotiated a small amount loan, from \$100 to \$500. The borrowers negotiated
24 their respective loans with GPL via the Internet through the website <http://payday-loan-yes.com>.
25 Each of the borrowers obtained their respective loan primarily for personal, family or household
26 purposes. As part of the loan terms, the borrowers each provided GPL with their respective

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1 Oregon bank account information, which allowed GPL to access their respective bank accounts.

2 Each of the bank accounts was held in a branch of a financial institution located in Oregon.

3 5. Once the terms of the loans were negotiated online, GPL deposited the loan principal
4 to the borrower's Oregon bank account. Under the terms of the loan, the borrower was charged a
5 finance charge, from \$30 to \$250, every two weeks. Under the terms of the loan agreement, the
6 borrower was charged an origination fee, which was always more than \$30. The loan principal
7 and the finance charge were due within a period of less than 31 days from the date of the loan. If
8 the borrower failed to pay off the loan by the due date, GPL debited the borrower's Oregon bank
9 account in the amount of finance charge.

10 6. If the loan was not paid by the due date, GPL would renew or "rollover" the loan for
11 another period. The borrowers each renewed their loans with GPL more than two times. GPL
12 would continue to debit the borrower's Oregon bank account approximately every 14 days.
13 Usually, the only way in which the borrower could stop GPL assessing these fees was to close
14 their bank account.

15 7. The effective APR for loans from GPL ranged from 353 to 2,737 percent.

16 8. On April 28, 2009, a financial examiner for the Division of Finance and Corporate
17 Securities ("the Division") wrote to GPL informing the company of complaints filed by Oregon
18 borrowers and requesting that GPL provide the Division with information on all loans made to
19 Oregon residents for the period January 1, 2007 to April 28, 2009. The Division received no
20 response to this request.

21 **II.**

22 **CONCLUSIONS OF LAW**

23 9. The short term consumer loans made by GPL to Oregon residents "KE", "PB", "NG",
24 "CM", "EM", "JR" and "TL" are payday loans as defined in ORS 725.600(3).

25 10. The payday loans made by GPL to Oregon residents "KE", "PB", "NG", "CM",
26 "EM", "JR" and "TL" were subject to ORS chapter 725 because GPL made loans for personal,



1 family or household purposes of less than \$50,000 to consumers who were then residing in
2 Oregon and the consumers made payments on the loans in this state as that term is defined in
3 ORS 725.602 when GPL debited the borrowers' respective Oregon bank accounts, each of which
4 was held in a branch of a financial institution located in Oregon.

5 11. GPL violated ORS 725.045(1) by conducting a business in which it made a payday
6 loan as defined by ORS 725.600(3) to an Oregon resident without first obtaining a license under
7 ORS chapter 725.

8 12. GPL violated ORS 725.622(1)(a) by making or renewing a payday loan at a rate of
9 interest exceeding 36 percent per annum, excluding a one-time origination fee for a new loan.

10 13. GPL violated ORS 725.622(1)(b) by charging an Oregon borrower an origination fee
11 of more than \$10 per \$100 of the loan amount or a total of \$30.

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

14 15. GPL violated ORS 725.622(1)(h) by renewing an existing payday loan more than two
15 times.

16 16. GPL violated ORS 725.310(2)(a) by failing to give the Director free access to the
17 records of loans made by Payday-Loan-Yes.com to Oregon residents during the period January
18 1, 2007 to April 28, 2009.

19 **III.**

20 **ORDERS**

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

22 *Cease and Desist Order*

23 17. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Respondent
24 GPL to CEASE AND DESIST from violating any provision of the Oregon Consumer Finance
25 Act, ORS chapter 725, OAR 441-730-0000 through 441-730-0320, or any rule, order, or policy
26 issued by the Director under that chapter. Pursuant to ORS 725.400(3), the Order to Cease and

1 Desist is effective 30 days from the date of this Order unless Respondent GPL requests a
2 hearing.

3 ***Order Assessing Civil Penalty***

4 18. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL
5 PENALTY in an amount determined by the Director of not more than \$2,500 per violation
6 against any person who violates any provision of the Oregon Consumer Finance Act, ORS
7 chapter 725. Pursuant to this provision, the Director hereby ORDERS Respondent GPL to pay a
8 CIVIL PENALTY in the amount of \$90,000 (ninety thousand dollars) for the following
9 violations:

10 A. A CIVIL PENALTY of \$17,500 (seventeen thousand five hundred dollars) for
11 conducting a business in which it made payday loans as defined by ORS 725.600(3) to seven
12 Oregon residents without first obtaining a license under ORS chapter 725 in violation ORS
13 725.045(1);

14 B. A CIVIL PENALTY of \$17,500 (seventeen thousand five hundred dollars) for
15 making or renewing seven payday loans at a rate of interest that exceeds 36 percent per annum,
16 excluding a one-time origination fee for a new loan, in violation of ORS 725.622(1)(a);

17 C. A CIVIL PENALTY of \$17,500 (seventeen thousand five hundred dollars) for
18 charging the seven Oregon borrowers origination fees of more than \$30, or \$10 per \$100 of the
19 loan amount, in violation of ORS 725.622(1)(b);

20 D. A CIVIL PENALTY of \$17,500 (seventeen thousand five hundred dollars) for
21 violation of ORS 725.622(1)(d) by making or renewing seven payday loans for terms of less
22 than 31 days;

23 E. A CIVIL PENALTY of \$17,500 (seventeen thousand five hundred dollars) for seven
24 violations of ORS 725.622(1)(h), renewing existing payday loans more than two times; and

25 F. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of
26 ORS 725.310(2)(a) by failing to give the Director free access to the records of loans made by

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1 Payday-Loan-Yes.com to Oregon residents during the period January 1, 2007 to April 28, 2009.

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

4 IT IS SO ORDERED.

5 Dated this 1st day of July, 2011 at Salem, Oregon NUNC
6 PRO TUNC May 12, 2011.

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

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

12 **NOTICE OF RIGHT TO APPEAL**

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

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