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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:

PD-11-0081

9 **Global Financial Group Services, Ltd.,**

**FINAL ORDER TO CEASE AND
DESIST, FINAL ORDER SUSPENDING
COLLECTION ACTIVITIES, AND
FINAL ORDER ASSESSING CIVIL
PENALTY BY DEFAULT**

10 Respondent.

11 On October 31, 2011, the Director of the Department of Consumer and Business Services
12 for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of the
13 Oregon Consumer Finance Act, ORS chapter 725¹, hereby issued Administrative Order No. PD-
14 11-0081, ORDER TO CEASE AND DESIST, ORDER SUSPENDING COLLECTION
15 ACTIVITIES, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF
16 OPPORTUNITY FOR AN ADMINISTRATIVE HEARING (“the Proposed Order”) against
17 Respondent Global Financial Group Services, Ltd. (“Global”).

18 On November 1, 2011, Global was duly served with true copies of the Proposed Order
19 by registered United States Mail, postage prepaid, to the following two addresses: (1) Wickhams
20 Cay 1, Road Town Tortola VG1110, British Virgin Islands (Item No. RC-016-479-068-US); and
21 (2) OMC RG Hodge Plaza 2nd Floor, Road Town Tortola VG1110, British Virgin Islands (Item
22 No. RC-016-479-071-US). True copies of the Proposed Order were also sent by regular mail to
23 Global at the addresses noted above.

24 On November 1, 2011, true copies of the Proposed Order were sent to Global via fax at
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26 ¹ All references to the provisions of Chapter 725 and the sections set forth therein shall be deemed to include any applicable restatement or revision thereof. See SB 993, Oregon Laws 2010 Special Session, Chapter 23.





1 1-866-875-0912 and 1-800-648-1282.

2 On November 1, 2011, the Proposed Order was sent to Global via email at
3 customerservice@cshadvanceforyou.com.

4 In a fax to a Financial Enforcement Officer for the Oregon Department of Consumer and
5 Business Services' Division of Finance and Corporate Securities ("DFCS") on November 25,
6 2011, Global confirmed receipt of the Proposed Order.

7 Global has not made a written demand for a contested case hearing in this matter and
8 time to do so has now expired.

9 NOW THEREFORE, after consideration of the file in this matter maintained by DFCS,
10 including any materials that Global may have submitted, the Director hereby issues the following
11 Findings of Fact, Conclusions of Law, and Final Orders.

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13 **I.**

14 **FINDINGS OF FACT**

15 The Director FINDS that:

16 1. Global is believed to be a company organized under the laws of the British Virgin
17 Islands, with its principal office located at Wickhams Cay 1, Road Town, Tortola VG1110,
18 British Virgin Islands. Global is not registered with the Oregon Secretary of State as a foreign
19 business.

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

26 3. At all times relevant to this matter, Global was not licensed in Oregon with the



1 Director as a payday lender.

2 4. DFCS has received complaints from two Oregon consumers regarding Global's
3 payday loans.

4

5 Oregon Borrower "DD"

6 5. At all times relevant to this matter, an individual identified herein as "DD" was a
7 resident of the State of Oregon.

8 6. On or about April 8, 2011, DD negotiated a \$400 short term consumer loan with
9 Global via the Internet through the cashadvanceforyou.com website. DD intended the loan
10 primarily for personal, family or household purposes. DD negotiated the loan with Global while
11 being physically present in Oregon.

12 7. Under the terms of the loan agreement, the initial loan period was approximately 14
13 days, with the \$400 loan principal and a \$120 fee due on April 22, 2011.

14 8. The effective APR for the loan to DD was 782.14 percent.

15

16 Oregon Borrower "RB"

17 9. At all times relevant to this matter, an individual identified herein as "RB" was a
18 resident of the State of Oregon.

19 10. In or about April of 2011, RB negotiated a \$500 short term consumer loan with
20 Global via the Internet through the cashadvanceforyou.com website. RB intended the loan
21 primarily for personal, family or household purposes. RB negotiated the loan with Global while
22 being physically present in Oregon.

23 11. Under the terms of the loan agreement, the initial loan period was approximately 14
24 days. RB was to incur a \$125 fee associated with the loan.

25 12. The effective APR for the loan to RB was 651.79 percent.

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II.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

13. The short term consumer loans made by Global to Oregon residents DD and RB are payday loans as defined in ORS 725.600(3).

14. The payday loans that Global made to Oregon residents DD and RB were subject to ORS chapter 725 because Global made loans for personal, family or household purposes of less than \$50,000 to consumers that reside in Oregon and the consumers agreed to the terms of the loans via the Internet while physically present in Oregon.

15. Global violated ORS 725.045(1) by conducting a business in which it made payday loans as defined by ORS 725.600(3) to an Oregon resident without first obtaining a license under ORS chapter 725. Each instance Global made a payday loan with an Oregon resident without first obtaining a license is a separate and distinct violation of ORS 725.045(1).

16. Global violated ORS 725.622(1)(a) by 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. Each instance Global made or renewed a payday loan with an Oregon resident at a rate of interest that exceeded 36 percent per annum is a separate and distinct violation of ORS 725.622(1)(a).

17. Global violated ORS 725.622(1)(d) by making or renewing a payday loan for a term of less than 31 days. Each instance Global made or renewed a payday loan with an Oregon resident for a term of less than 31 days is a separate and distinct violation of ORS 725.622(1)(d).

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III.

FINAL ORDERS

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

Final Order to Cease and Desist

18. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Global, and all entities owned or controlled by Global, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon Consumer Finance Act, ORS chapter 725, OAR 441-730-0000 through 441-730-0320, or any rule, order, or policy issued by the Director under that chapter.

Final Order Suspending Collection Activities

19. Pursuant to the authority of ORS 725.626, the Director ORDERS Global, and all entities owned or controlled by Global, their successors and assignees, to suspend all collection activities for the principal of, interest on, or any fees or charges for loans made to Oregon consumers unless within 90 days of the date of this Order, Global obtains a license under ORS 725.045(1).

20. If Global is approved by the Director to act as a payday lender in Oregon pursuant to ORS 725.045(1), but more than 90 days from the date of this Final Order, Global may collect the interest and fees allowed by ORS chapter 725, but only for loans made after the approval of Global's license as a payday lender in Oregon.

Final Order Assessing Civil Penalty

21. 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

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



1 chapter 725. Pursuant to this provision, the Director hereby assesses Global a CIVIL PENALTY
2 in the amount of \$15,000 (fifteen thousand dollars) as follows:

3 A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for conducting a business in
4 which it made payday loans as defined by ORS 725.600(3) to two Oregon residents without first
5 obtaining a license under ORS chapter 725 in violation ORS 725.045(1);

6 B. A CIVIL PENALTY of \$5,000 (five thousand dollars) for making or renewing two
7 payday loans at a rate of interest that exceeds 36 percent per annum, excluding a one-time
8 origination fee for a new loan, in violation of ORS 725.622(1)(a); and

9 C. A CIVIL PENALTY of \$5,000 (five thousand dollars) for making or renewing two
10 payday loans for a term of less than 31 days.

11 22. The entry of this Final Order in no way limits further remedies which may be
12 available to the Director under Oregon law.

13 IT IS SO ORDERED.

14 Dated this 15th day of December, 2011 at Salem, Oregon,

15 NUNC PRO TUNC October 31, 2011.

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PATRICK ALLEN, Director
Department of Consumer and Business Services

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

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