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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:

9 **Case No. DM-12-0005**

10 **GLOBAL FINANCIAL GROUP, S.A.,**

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

14 Respondent.

15 On February 1, 2012, the Director of the Department of Consumer and Business  
16 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the  
17 authority of the Oregon Revised Statutes (“ORS”) 697.602 to 697.842 (2007)<sup>1</sup> hereby  
18 issued Administrative Order No. DM-12-0005, ORDER TO CEASE AND DESIST,  
19 PROPOSED ORDER ASSESSING CIVIL PENALTY, AND NOTICE OF  
20 OPPORTUNITY FOR AN ADMINISTRATIVE HEARING (“the Proposed Order”)  
21 against Respondent Global Financial Group, S.A. (“GFG”).

22 On February 4, 2012, GFG was duly served with a true copy of the Proposed  
23 Order sent by the Division of Finance and Corporate Securities (Division”) by certified  
24 United States Mail, postage prepaid, at Global Financial Group, S.A.; 2764 N. Green  
25 Valley Parkway, Suite 707; Henderson, Nevada 89014 (Item No. 7008 1830 0003 3147  
26 3451). A true copy of the Proposed Order was also sent by regular mail to GFG at the  
address noted above.

On February 1, 2012, the Division served another true copy of the Proposed Order

<sup>1</sup> Unless otherwise noted, the statutes cited herein are from the Oregon Revised Statutes as enacted in 2007.





1 to GFG by registered mail, postage prepaid to Global Financial Group, S.A.; Legal  
2 Department; Torre De Las Americas; Torre A Piso 9; Punta Pacifica; Panama City;  
3 Republic of Panama (Item No. RC016479598US). A true copy of the Proposed Order  
4 was also sent by regular mail to GFG at the Panama City address noted above. Neither  
5 the registered nor first class mail was returned to the Division of Finance and Corporate  
6 Securities (“Division”).

7 GFG has not made a written request 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  
10 the Oregon Department of Consumer and Business Services, including any materials  
11 that GFG may have submitted, the Director hereby issues the following Findings of Fact,  
12 Conclusions of Law and Final Orders.

13 **I.**

14 **FINDINGS OF FACT**

15 The Director FINDS that:

16 1. GFG is, by information and belief, a Panama corporation with business offices  
17 located at 2764 N. Green Valley Parkway, Suite 707, Henderson, Nevada 89014 and  
18 Torre De Las Americas, Torre A Piso 9, Punta Pacifica, Panama, Republic of Panama.  
19 Respondent maintains the website [www.gfglaw.org](http://www.gfglaw.org) and advertises using phone number 1-  
20 877-777-0469, a U.S. and Canadian toll-free number.

21 2. GFG is not registered as a business name with the Oregon Secretary of State.

22 3. At all times relevant to this matter, Respondent engaged in business as a debt  
23 consolidating agency as defined by ORS 697.612(1) by conducting a business that took or  
24 received money from debtors for the purpose of paying to creditors the debtor’s wages,  
25 salary, income, credits or other things of value to reduce debt.

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1           4. Respondent contacted Oregon residents by telephone, electronic mail, and  
2 United States mail, offering to provide debt consolidating services. Respondent directed  
3 Oregon residents to view the GFG website.

4           5. The person identified hereinafter as “KLO” is and was at all relevant times  
5 herein an Oregon resident who did business with GFG.

6           6. Beginning in September 2006 and extending until August 2008, GFG entered  
7 into an agreement with KLO in which GFG took money from her for the purpose of  
8 paying money to KLO’s creditors. During this period of time, KLO paid GFG a monthly  
9 payment of \$320, with a total paid to GFG for services during that 23-month period of  
10 approximately \$7,360.

11           7. In fact, GFG did not arrange to pay off KLO’s debts with these payments.  
12 GFG’s actions, or lack of action, resulted in KLO being sued by one of her creditors for  
13 the non-payment of her debt.

14           8. GFG failed to provide KLO with the required written disclosure pursuant to  
15 the Oregon law noting: (a) the maximum amount GFG would charge her for services,  
16 and (b) that KLO was responsible for paying the amount charged.

17           9. In charging KLO a fee for the first month of the agreement in the amount of  
18 \$320, GFG charged KLO an account set-up fee in an amount greater than \$25.

19           10. GFG charged KLO a fee prior to providing the written disclosure required  
20 under Oregon law.

21           11. At no time material to this Order was GFG registered in Oregon with the  
22 Director as a debt consolidating agency.

23           12. At no time material to this Order did GFG file a surety bond with the Director  
24 as required by Oregon law.

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**II.**

**CONCLUSIONS OF LAW**

The Director CONCLUDES that:

13. Respondent GFG operated as a debt consolidating agency as defined by ORS 697.612 when GFG received money from at least one Oregon resident for the purpose of paying that resident's creditors.

14. Respondent GFG violated ORS 697.612 by operating as a debt consolidating agency without being registered with the Director pursuant to ORS chapter 697.

15. Respondent GFG violated ORS 697.642 when it operated as a debt consolidating agency without first filing a surety bond issued by one or more corporate sureties authorized to do business in Oregon.

16. Respondent GFG violated ORS 697.707(2) when it failed to disclose to KLO, in writing, the maximum amount that she would be charged for services and that KLO was responsible for paying the amount charged.

17. Respondent GFG violated ORS 697.707(1) when it charged KLO, and received a fee from KLO, before providing her with the written disclosure required pursuant to ORS 697.707(2).

18. Respondent GFG violated ORS 697.692(1)(a) when it charged KLO an initial set-up fee of more than \$25.

**III.**

**ORDERS**

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

*Order to Cease and Desist*

19. Pursuant to the authority of ORS 697.825(1), the Director hereby ORDERS Respondent GFG, and all entities owned or controlled by GFG, their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes

1 regulating debt consolidating agencies, ORS chapter 697, and any rule, order, or policy  
2 issued by the Director under ORS chapter 697.

3 *Order Assessing Civil Penalty*

4 20. Pursuant to the authority of ORS 697.832(1), the Director may assess a CIVIL  
5 PENALTY in an amount of not more than \$1,000 per violation against any person who  
6 violates ORS 697.612 or ORS 697.642 to 697.702, rules adopted pursuant to ORS  
7 697.632 or any order issued under ORS 697.825.

8 21. Pursuant to ORS 697.832(1), the Director hereby ASSESSES Respondent GFG  
9 a CIVIL PENALTY in the amount of \$5,000 (five thousand dollars) as follows:

10 A. A CIVIL PENALTY of \$1,000 (one thousand dollars) for violation of the  
11 registration provisions of ORS 697.612 by operating a debt consolidating agency without  
12 being registered with the Director pursuant to ORS chapter 697.

13 B. A CIVIL PENALTY of \$1,000 (one thousand dollars) for violation of ORS  
14 697.642 for operating a debt consolidating agency without first filing a bond as required  
15 by ORS chapter 697.

16 C. A CIVIL PENALTY of \$1,000 (one thousand dollars) for violation of ORS  
17 697.692(1)(a) by charging a consumer an initial set-up fee of more than \$25.

18 D. A CIVIL PENALTY of \$1,000 (one thousand dollars) for violation of ORS  
19 697.707(2) for failing to provide the written disclosure set out in the statute.

20 E. A CIVIL PENALTY of \$1,000 (one thousand dollars) for violation of ORS  
21 697.707(1) for charging or receiving from a client a fee before providing the written  
22 disclosure set out in the statute.

23 22. The entry of this Order in no way limits further remedies which may be

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1 available to the Director under Oregon law.

2 IT IS SO ORDERED.

3 Dated this  20th  day of  March , 2012 at Salem, Oregon,

4 NUNC PRO TUNC February 1, 2012.

5 PATRICK M. ALLEN, Acting Director  
6 Department of Consumer and Business Services

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

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