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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-11-0108**

9 **VIP PDL Services, LLC,**

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

10 Respondent.

11 On November 12, 2011, the Director of the Department of Consumer and Business  
12 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of  
13 the Oregon Consumer Finance Act, ORS chapter 725<sup>1</sup>, issued Administrative Order No. PD-11-  
14 0108, 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 VIP PDL Services, LLC (“VIP”).

18 On November 14, 2011, the Proposed Order was sent to VIP’s counsel, Mr. Jared I.  
19 Rothkoph of the law firm Kaplan Papadakis & Gournis, PC, by certified United States Mail,  
20 postage prepaid to his address at 180 North LaSalle Street, Suite 2108, Chicago, Illinois 60601  
21 (Article No. 7008 1830 0003 3147 2768). Additionally, on November 14, 2011, a true copy of  
22 the Proposed Order was sent by regular mail to VIP’s counsel at the address noted above.

23 On December 8, 2011, the Proposed Order was sent to VIP by registered United States  
24 Mail, postage prepaid to its address at 4 Solomon’s Arcade, Charlestown, Nevis, West Indies

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26 <sup>1</sup> 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 (Article No. RC 016 479 099 US). Additionally, on December 8, 2011, the Proposed Order was  
2 sent by regular mail to VIP's address noted above.

3 VIP has not made a written request for a contested case hearing in this matter and time to  
4 do so has no expired.

5 NOW THEREFORE, after consideration of the file in this matter maintained by the  
6 Oregon Department of Consumer and Business Services, including any materials that VIP may  
7 have submitted, the Director hereby issues the following Findings of Fact, Conclusions of Law,  
8 and Orders.

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10 **I.**

11 **FINDINGS OF FACT**

12 The Director FINDS that:

13 1. VIP is believed to be a limited liability company organized under the laws of the  
14 Federation of Saint Kitts and Nevis, with its principal office located at Suite 4 Solomon's  
15 Arcade, Charlestown, Federation of Saint Kitts and Nevis, West Indies. VIP is not registered  
16 with the Oregon Secretary of State as a foreign business.

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

22 3. At all times relevant to this matter, VIP was not licensed in Oregon with the Director  
23 as a payday lender.

24 4. The Oregon Department of Consumer and Business Services' Division of Finance  
25 and Corporate Securities ("DFCS") has received complaints from two Oregon consumers  
26 regarding VIP's payday loans.



Oregon Borrower "TH"

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2 5. At all times relevant to this matter, an individual identified herein as "TH" was a  
3 resident of the State of Oregon.

4 6. On or about June 3, 2009, TH received a \$300 short term consumer loan from VIP.  
5 TH never negotiated for or entered into a contract with VIP to provide a payday loan.

6 7. Any loan made to TH by VIP was primarily for personal, family or household  
7 purposes. Any loan negotiated between TH and VIP was done while TH was physically present  
8 in Oregon.

9 8. From approximately June 15, 2009 to September 15, 2009, VIP deducted  
10 approximately \$630 from TH's Oregon bank account.

11 9. On or about October 14, 2009, VIP sent a check to TH's Oregon bank to withdraw  
12 \$390.00. No funds were withdrawn as TH had previously closed the account to prevent VIP from  
13 making any further withdrawals.

14 10. According to documentation TH received from VIP, the initial loan period was  
15 approximately 12 days, with the \$300 loan principal and a \$90 fee due on June 15, 2009. The  
16 effective APR for the loan to TH was 912.50 percent.

Oregon Borrower "RT"

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18 11. At all times relevant to this matter, an individual identified herein as "RT" was a  
19 resident of the State of Oregon.

20 12. On or about May 11, 2011, RT negotiated a \$300 short term consumer loan with VIP  
21 via the Internet through the thevpiolanshop.com website. RT intended the loan primarily for  
22 personal, family or household purposes. RT negotiated the loan with VIP while being physically  
23 present in Oregon.

24 13. Under the terms of the loan agreement, the initial loan period was approximately 13  
25 days. RB was to incur a \$90 fee associated with the loan.

26 14. The effective APR for the loan to RB was 842.31 percent.

1 15. VIP deducted funds from RT's Oregon bank account for repayment of the loan and  
2 the associated fee.

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4 **II.**

5 **CONCLUSIONS OF LAW**

6 The Director CONCLUDES that:

7 16. The short term consumer loans made by VIP to Oregon residents TH and RT are  
8 payday loans as defined in ORS 725.600(3).

9 17. The payday loans that VIP made to Oregon residents TH and RT were subject to ORS  
10 chapter 725 because VIP made loans for personal, family or household purposes of less than  
11 \$50,000 to consumers that reside in Oregon and the consumers made payments on the loans in this  
12 state as that term is defined in ORS 725.602 when VIP debited the consumers' respective Oregon  
13 bank accounts, each of which was held in a branch of a financial institution located in Oregon.

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

18 19. VIP violated ORS 725.622(1)(a) by making or renewing a payday loan at a rate of  
19 interest that exceeds 36 percent per annum, excluding a one-time origination fee for a new loan.  
20 Each instance VIP made or renewed a payday loan with an Oregon resident at a rate of interest  
21 that exceeded 36 percent per annum is a separate and distinct violation of ORS 725.622(1)(a).

22 20. VIP violated ORS 725.622(1)(d) by making or renewing a payday loan for a term of  
23 less than 31 days. Each instance VIP made or renewed a payday loan with an Oregon resident  
24 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.**  
**ORDERS**

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Order to Cease and Desist

21. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS VIP, and all entities owned or controlled by VIP, 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.

Order Suspending Collection Activities

22. Pursuant to the authority of ORS 725.626, the Director ORDERS VIP, and all entities owned or controlled by VIP, 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, VIP obtains a license under ORS 725.045(1).

23. If VIP 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 Order, VIP may collect the principal, interest and fees allowed by ORS chapter 725, but only for loans made after the approval of VIP's license as a payday lender in Oregon.

Order Assessing Civil Penalty

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

A. A CIVIL PENALTY of \$5,000 (five thousand dollars) for conducting a business in which it made payday loans as defined by ORS 725.600(3) to two Oregon residents without first



1 obtaining a license under ORS chapter 725 in violation ORS 725.045(1);

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

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

7 25. The entry of this Order in no way limits further remedies which may be available to  
8 the Director under Oregon law.

9 IT IS SO ORDERED.

10 Dated this 1<sup>st</sup> day of May, 2012 at Salem, Oregon,  
11 NUNC PRO TUNC November 14, 2011.

12  
13 PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

14  
15 /s/ David Tatman  
David C. Tatman, Administrator  
16 Division of Finance and Corporate Securities

17 **RIGHT TO JUDICIAL REVIEW**

18 You have the right to appeal this Order to the Oregon Court of Appeals pursuant to ORS  
19 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within  
20 60 days from the day this Order was served on you. If this Order was personally delivered to  
21 you, the date of service is the day you received the Order. If this Order was mailed to you, the  
22 date of service is the day it was *mailed*, not the day you received it. If you do not file a petition  
23 for judicial review within the 60-day time period, you will lose your right to appeal.

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