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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCE AND CORPORATE SECURITIES

6 In the Matter of:

Case No. PD-13-0053

7 Cutter Group LLC

Respondent.

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

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10 On April 15, 2013, the Director of the Department of Consumer and Business
11 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the
12 authority of the Oregon statutes regulating payday lending, ORS 725A.010 to 725A.092
13 and 725A.990, issued Administrative Order No. PD-13-0053, ORDER TO CEASE AND
14 DESIST, ORDER SUSPENDING COLLECTION ACTIVITIES, PROPOSED ORDER
15 ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO AN
16 ADMINISTRATIVE HEARING (the “Proposed Order”) against Respondent Cutter
17 Group LLC (“Cutter”).

18 On April 17, 2013, a true copy of the Proposed Order was served on Cutter’s
19 counsel, Mr. John L. Mullen, by registered United States Mail, postage prepaid, to his
20 address at 8900 Ward Parkway, Kansas City, Missouri 64114 (Article No. 7011 2000
21 0000 7333 2311).

22 According to the return receipt, Allison Hovey signed for the Proposed Order as
23 the agent of John L. Mullen.

24 Cutter has not made a written request for a contested case hearing in this matter
25 and time to do so has now expired.

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



1 the Oregon Department of Consumer and Business Services, including any materials that
2 Cutter may have submitted, the Director hereby issues the following Findings of Fact,
3 Conclusions of Law, and Final Orders.

4 I.

5 FINDINGS OF FACT

6 The Director FINDS that:

7 1. Cutter's last known address is PO Box 411056, Kansas City, Missouri 64141.

8 2. Cutter is not registered with the Oregon Secretary of State's office to conduct
9 business in Oregon.

10 3. Cutter is in the business of making loans of less than \$50,000 to individuals
11 primarily for personal, family or household purposes for periods of less than 60 days.

12 The loans are not made as purchase money loans and are usually evidenced by a check or
13 electronic repayment agreement provided by or on behalf of the borrower. These loans
14 are commonly called "payday loans".

15 4. At all times material to this matter, Cutter was not licensed in Oregon with the
16 Director as a payday lender.

17 5. On or about September 20, 2012 the Oregon Division of Finance and
18 Corporate Securities received a complaint from an Oregon consumer who received a
19 \$325 payday loan from Cutter. The annual percentage rate for the loan was 782.14
20 percent and was made for a term of approximately two weeks.

21 6. The Oregon consumer intended the loan primarily for personal, family or
22 household purposes. Additionally, the Oregon consumer agreed to the terms of the
23 payday loan via the Internet while being physically present in Oregon and/or made a
24 payment on the payday loan while in Oregon.

25 7. Upon information and belief, Cutter continues to solicit payday lending
26 business in the state of Oregon without being licensed with the Director.





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II.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

8. The short term consumer loan made by Cutter to an Oregon resident is a payday loan as defined in ORS 725A.010(5).

9. The payday loan that Cutter made to an Oregon resident is subject to ORS chapter 725A because Cutter offered to and made a loan for personal, family or household purposes of less than \$50,000 to a consumer who resided in Oregon and the terms of the loan were agreed to by the Oregon consumer via the Internet while being physically present in Oregon and/or the Oregon consumer made a payment on the payday loan while in Oregon.

10. Cutter violated ORS 725A.020 by conducting a business in which it made a payday loan as defined by ORS 725A.010(5) to an Oregon resident without first obtaining a license under ORS chapter 725A.

11. Cutter violated ORS 725A.064(1) 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.

12. Cutter violated ORS 725A.064(3) by making or renewing a payday loan for a term of less than 31 days.

III.

ORDERS

Now, therefore, the Director issues the following ORDERS:

Final Order to Cease and Desist

13. Pursuant to the authority of ORS 725A.082, the Director hereby ORDERS Cutter, and all entities owned or controlled by Cutter and their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating

1 payday lending, ORS 725A.010 to 725A.092 and 725A.990, OAR 441-730-0000 through
2 441-730-0320, or any rule, order, or policy issued by the Division.

3 Final Order Suspending Collection Activities

4 14. Pursuant to the authority of ORS 725A.020, the Director ORDERS Cutter,
5 and all entities owned or controlled by Cutter and their successors and assignees, to
6 suspend all activities for the collection of principal, interest, or any fees or charges on
7 loans made to Oregon consumers unless within 90 days of the date of this Order, Cutter
8 obtains a license under ORS 725A.022 and 725A.024.

9 15. If Cutter is approved by the Director to act as a payday lender in Oregon
10 pursuant to ORS 725A.022 and 725A.024, but more than 90 days from the date of this
11 Order, Cutter may collect the principal, interest and fees allowed by ORS chapter 725A,
12 but only for loans made after the approval of Cutter's license as a payday lender in
13 Oregon.

14 Final Order Assessing Civil Penalty

15 16. Pursuant to the authority of ORS 725A.990, the Director may assess against
16 any person who violates any provision of the Oregon statutes regulating payday lending,
17 ORS 725A.010 to 725A.092 and 725A.990, or any rule or final order of the Director
18 under that chapter, a civil penalty in an amount determined by the Director of not more
19 than \$2,500 per violation. Pursuant to this provision, the Director hereby assesses Cutter
20 a CIVIL PENALTY in the amount of \$7,500 for the following violations:

21 A. A CIVIL PENALTY of \$2,500 for violating ORS 725A.020 by conducting a
22 business in which it made a payday loan as defined by ORS 725A.010(5) to an Oregon
23 resident without first obtaining a license under ORS chapter 725A.

24 B. A CIVIL PENALTY of \$2,500 for violating ORS 725A.064(1) by making or
25 renewing a payday loan at a rate of interest that exceeds 36 percent per annum,
26 excluding a one-time origination fee for a new loan.



1 C. A CIVIL PENALTY of \$2,500 for violating ORS 725A.064(3) by making or
2 renewing a payday loan for a term of less than 31 days.

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

5 IT IS SO ORDERED.

6 Dated this 28th day of May, 2013 at Salem,
7 Oregon, NUNC PRO TUNC April 17, 2013.

8 PATRICK M. ALLEN, Director
9 Department of Consumer and Business Services

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

13 **NOTICE OF RIGHT TO APPEAL**

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

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